



ALFRED NZO

DISTRICT MUNICIPALITY

2014/15 Draft Annual Report



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ALFRED NZO

MUNICIPALITY



CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE

A: MAYOR'S FOREWORD



It is a great pleasure to present 2014/2015 Annual Report which is an account of the district performance in the past year. The year 2014/2015 has been a progressive year and the period also presented the municipality with many challenges and we have also made tangible efforts in our quest to address the triple challenges facing our district which are under development, poverty and unemployment.

As the district municipality, we have made significant strides to address service delivery backlogs and it is imperative for me to pay special respect to all our strategic role players in the form of various sector departments, state agencies, private partners, civil society stakeholders and most importantly our communities for working with us in driving the implementation of the municipal programme of action.

The collaborations and the spirit of working together that we have experienced in the year under review clearly elaborate the fact that we are indeed a people's centred municipality and we are continuously strengthening various platforms that are aimed at building firm relations with them.

We have held a series of mayoral outreaches that were aimed at maintaining a direct interaction with government and citizens of the district and these platforms were conducted as part of our commitment to accountability and of critical importance it is also to assert communities as co-creators of solutions to the broader district socio-economic challenges.

As we step into the new financial year, we must collectively move with speed in transforming our plans as contained in the Integrated Development Plan (IDP) into tangible deliverables that will contribute immensely in addressing service delivery backlogs in the district.

We are still forging ahead with our strategies, as part of our concerted effort to achieve clean audit opinion and these measures will go a long way in our approaches of attaining clean administration. Let me take this opportunity to thank our stakeholders and most importantly our communities for their contribution into the development of this district.

In conclusion, let me thank the Council and all the employees of the district municipality who have pulled all necessary resources to provide valuable services to our communities.

Eunice Diko

Executive Mayor

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE

B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

Let me take this opportunity to thank the Council of Alfred Nzo District Municipality, for entrusting me with the responsibility of heading the administration.

It is an honour and privilege that comes with a huge responsibility, not only to turn the situation around, but also set the municipality on the right path, towards a clean administration. To the management and staff, I know that change of leadership brings anxiety and uncertainty, but this time around we must be optimistic about the future, no matter how difficult the situation might be.

One is coming at a time looking at the prior –year misstatements, understanding that we have been experiencing disclaimer - Opinions, for the past 4 consecutive years, meaning that we all expected to be determined, to provide all the necessary information and support.

Equally, this is also a time for national elections in government, where the leadership, in the form of Honourable Councillors, will be engaging with the communities on priorities for the coming financial year, 2014/15.

Dealing with issues facing our institution moving forward, will require that tough decisions and difficult choices to be taken, something that is not easy.

Notwithstanding, the challenges, we are facing as the institution; I am convinced that we will overcome, so that those who will come after us, would be proud of the strides we have made.

At the end of 2013/2014, financial year, we would have made giant strides towards filling-in of critical posts as one of the steps to set administrative wheels in motion towards acceleration of services to our communities.

Critically, we need to respond with speed to the backlogs on infrastructure throughout the district, hence we are hard at strengthening IGR.

Our customer care call Centre is 086 000 3781.

I thank you.

Mr Z. H. Sikhundla
Municipal Manager

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.2.1. MUNICIPAL POWERS & FUNCTIONS

The Municipal Structures Act of 1998 (as amended) makes provision for the division of powers and functions between the district and local municipalities. It assigns the district wide functions to the district municipalities and most day to day service delivery functions to the local municipalities. The provincial MECs are empowered to adjust these powers and functions according to the capacity of the municipalities to deliver services.

With regard to the above statement for instance, the function of Water and Sanitation as well as the maintenance of water infrastructure is still the function of the district. Whilst the Local Municipality is responsible for Planning, it is also reliant on the District for advice and support. Amongst other things the powers and functions of the municipalities are as follows:

Table 1: Powers and Functions

| Local Functions | | District functions | Shared Functions |
|---|--|--|--|
| Building Regulations Child Care Facilities Pontoons, Ferries, Jetties, Piers and Harbors Storm Water Management Systems in Built up Areas Trading Regulations Street Lighting Traffic and Parking | Facilities for the Accommodation, Care and Burial of Animals Fences and Fencing Local Amenities Local Sport Facilities Municipal Parks and Recreation Pounds Public Places Street Trading | Municipal Health Services Potable Water Sanitation Air Quality Management Licensing and Control of Undertakings that sell food to the public | Fire Fighting Services Local Tourism Municipal Airports Municipal Public Transport Cemeteries, Funeral Parlors and Crematoria Markets Municipal Abattoirs Municipal Roads Refuse Removal, Refuse Dumps and Solid Waste Development Planning |

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE

1.2.2. POPULATION SIZE AND DISTRIBUTION

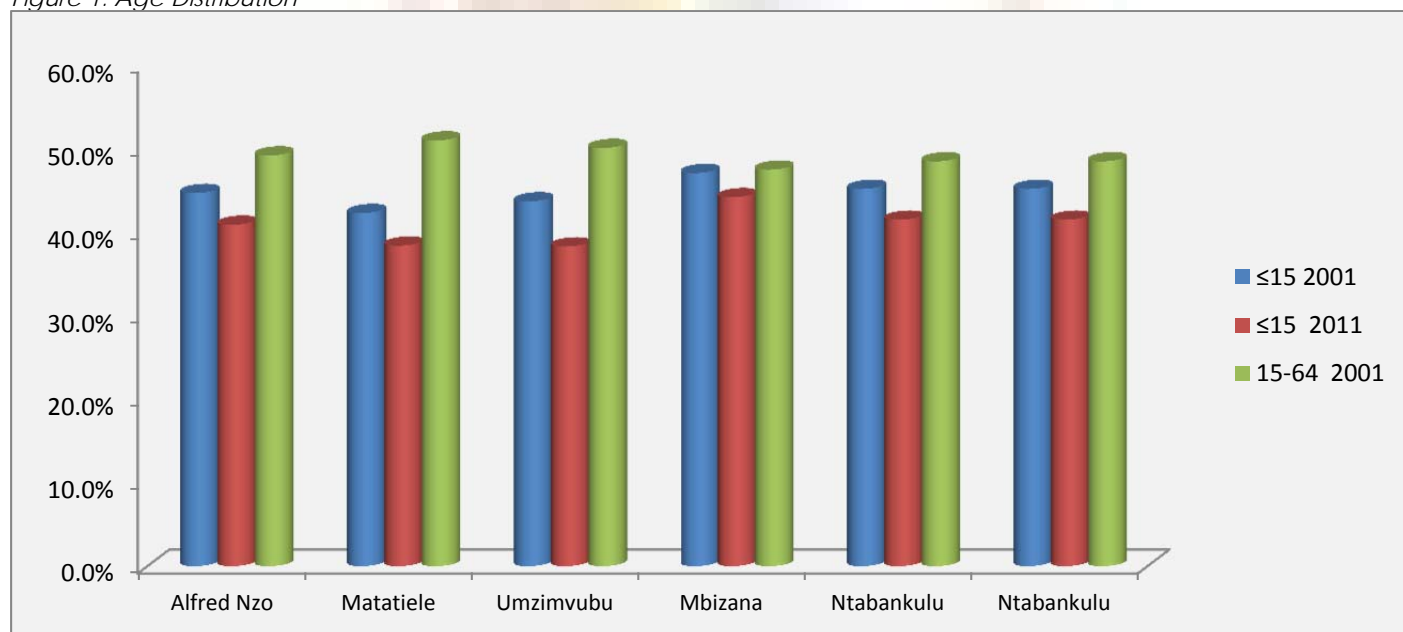
AGE DISTRIBUTION

The potentially economically active population (16 – 65 years) constitutes 40% of the population. Municipal planning must take cognisance of the predominantly youthful population and the Municipality acknowledges this through inclusion of the needs of children and youth issues in its Programme for special groups. This approach by the municipality is in line with one of the Millennium Development Goals.

Table 2: Age Distribution

| Area | ≤15 2001 | ≤15 2011 | 15-64 2001 | 15-64 2011 | 65+ 2001 | 65+ 2011 |
|------------|----------|----------|------------|------------|----------|----------|
| Alfred Nzo | 44.7 | 40.9 | 49.2 | 52.9 | 6.1 | 6.2 |
| Matatiele | 42.3 | 38.4 | 51.0 | 54.6 | 6.8 | 6.9 |
| Umzimvubu | 43.7 | 38.3 | 50.1 | 55.0 | 6.2 | 6.7 |
| Mbizana | 47.1 | 44.2 | 47.5 | 50.6 | 5.4 | 5.2 |
| Ntabankulu | 45.2 | 41.5 | 48.5 | 52.2 | 6.3 | 6.3 |

Figure 1: Age Distribution



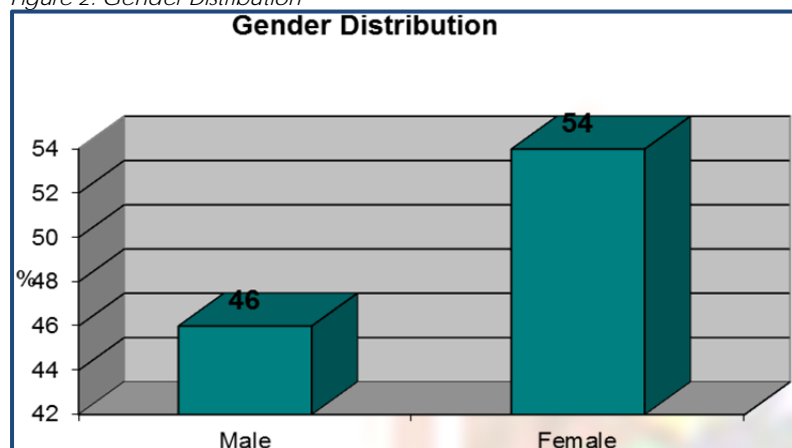
The high proportion of dependent youth in the district implies a higher burden on the economically active population. Given that a high percentage of the economically active population is not economically active this burden shifts to organs of state and places a higher burden on municipalities and government departments such as Social Development, Health etc.

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE

GENDER DISTRIBUTION

The Alfred Nzo population is predominantly female. Females constitute approximately 54. % of the population while males constitute 45% and this is a replica of the previous situation before the incorporation of Mbizana and Ntabankulu Local Municipalities. Municipal planning must take into consideration the issue of this gender balance. The Municipality acknowledges this through inclusion of the needs of women and gender issues in its programmes for special groups. This approach by the district municipality is in line with Global Approach on meeting Millennium Development Goals by 2014.

Figure 2: Gender Distribution



Source: Statistics South Africa: Census 2011

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE

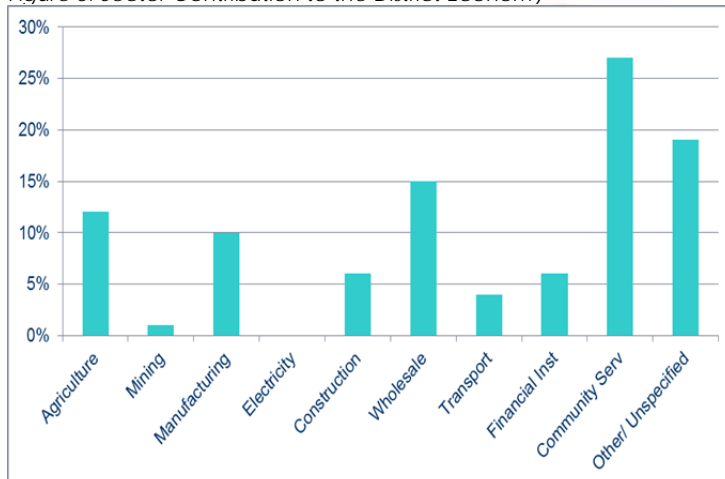
1.2.2. SOCIO ECONOMIC STATUS

The Alfred Nzo District is embattled by poor socio-economic conditions and low levels of development which is not an uncommon trend in the region.

ECONOMIC SECTORS AND THEIR PERFORMANCE

The figure below shows the total Gross Value Adding (GVA) of the district relative to that of other districts in the province. Alfred Nzo is the least significant contributor to the provincial GVA, contributing less than 1% of the province's GVA.

Figure 3: Sector Contribution to the District Economy



The district local economy is heavily reliant on the Community Services sector which contributes 28% of the Gross Value Adding (GVA) in the District. This includes salaries and wages for government employees such as office workers, nurses, teachers and doctors.

The second highest contributor to the District's economy is Wholesale / Trade (15% of GVA). This sector is underpinned by the public sector based expenditure through government employment and social grants.

The third highest contributor to the District's economy is Agriculture (12% of GVA) and Manufacturing is the fourth highest contributor by 10% to the district economy. The contribution of the other sectors is very limited with construction contributing only 6% and transport sector contributing 6.4%. This is a reflection of a relatively large number of informal taxi operators in the area.

INCOME LEVELS

Income levels within the District are very low. Only 6.6% of the economically active population has an income of more than R1601.00 per month. The majority of the people within the district are having income that is less than R800 per month. Municipal planning needs to focus strongly on local economic development initiatives that will enable the community to generate income.

The absence of a higher income earning class limits the growth potential of the District in that it is this category that usually offers the necessary intellectual and financial capital to support growth.

POVERTY LEVELS

Increasing levels of absolute poverty have been recorded in the Eastern Cape and 74% of the people of the Eastern Cape live below the poverty line of R800 or less a month. Poverty levels vary from district to district but in Alfred Nzo approximately 40% of the population lives below the poverty line. High poverty levels imply a high dependency on social assistance in the form of grants. Municipal planning needs to focus strongly on poverty alleviation mechanisms.

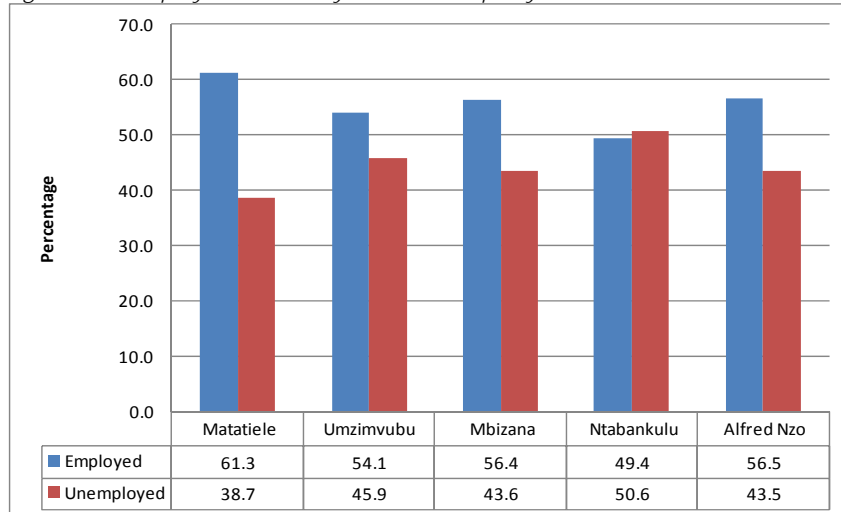
CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE

EMPLOYMENT LEVELS AND TRENDS

The Alfred Nzo District has very low levels of employment and a high percentage of people who are not economically active. This in turn accounts for the high poverty levels and low income levels. High unemployment rates impact negatively on municipalities as low affordability levels result in a poor payment rate for services.

For the purposes of this section, people's employment status may be classified as employed, unemployed and not economically active. These statuses may be defined as:

Figure 4: Unemployment Rate by Local Municipality



Source: Census 2011

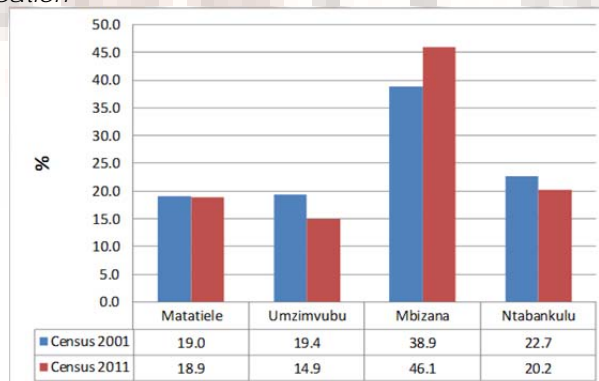
- ✚ **Employed** being people who have within the last thirty days performed work for pay.
- ✚ **Unemployed** are those people within the economically active population who: are not working; want to work and are available to start work immediately; and have taken active steps to look for work or to start some form of self-employment.
- ✚ **Not economically active** i.e. a person who is not working, not seeking work and not available for work

EDUCATION

The following Figure demonstrates that number of persons with no schooling in Mbizana Local Municipality is significantly higher than persons with no schooling in other three Local Municipalities.

Percentage of the population aged 20 years and above with no education; Alfred Nzo Local Municipality:

Figure 5: Persons 20+ with no Education



Source: Statistics South Africa: Census 2011

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE

HIV/AIDS

HIV&AIDS continues to pose a major challenge for the people of South Africa and the Eastern Cape. According to the Department of Health, the HIV/AIDS infection rate has stabilized in the Alfred Nzo District. HIV/AIDS nevertheless remains a challenge and the Department is actively concentrating on the management of antiretroviral treatment of I2infected people. There is a high level of Tuberculosis (TB) in the region which is commonly associated with HIV/AIDS and the Department is also focusing its attention on the management of TB. Municipal planning must take into consideration the needs of people infected and affected by HIV/AIDS. The Municipality has developed an HIV/AIDS strategy (attached as part of sector plans) and established a District AIDS Council.

1.3. SERVICE DELIVERY OVERVIEW

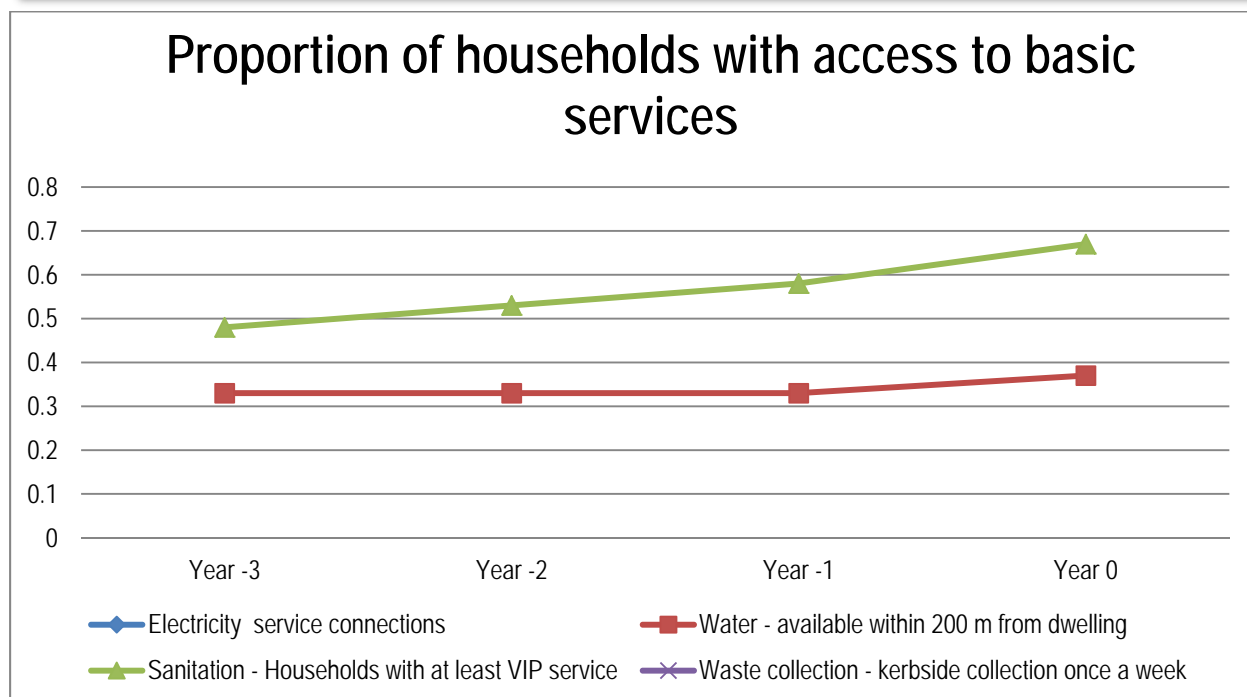
The Alfred Nzo District Municipality is a Water Services Authority and therefore responsible for provision of Water Services (Water & Sanitation). In the previous years, when the municipality had only two local municipalities, major strides were made to reduce the water services backlogs, however after the 2011 elections the backlog figures increased with the inclusion of two new local municipalities. Even though the two local municipalities came with backlogs, the municipality continued to deliver the service especially with regards to provision of sanitation services i.e. VIP toilets in rural areas.

Some of the major challenges lies when the supporting departments do not respond promptly on compliance approvals i.e water licenses, ROD's on EIA's and Basic Assessments conducted. This, sometimes, stalls progress of projects thereby delaying the backlog eradication processes. The other challenge that is usually overlooked is the poor performance by the contractors. These challenges need to be addressed in the following manner: - Strengthening relations with the support departments through the IGR process. It is imperative that the implementation of debt collection strategies and the compilation of the indigent register is done so that all consumers that do not qualify as indigent are billed to recover costs for operations and maintenance.

Contractor development/ incubation programme had been identified and strict selection criteria with respect to appointment of contractors are our areas of focus to change the situation going forward. Staff development and training remains our other municipality is facing is the reverse backlog, the verification reports indicate that there is still a lot of backlog to be eradicated, and there is also need to refurbish and replace old water supply scheme components.

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As can be seen on the diagram above, the provision of electricity and waste collection has not been taken into account as it is not the competency of the district. Furthermore it can be seen that the provision of services especially with respect to sanitation has been on the constant increase as opposed to water which has remained the same. This is mainly due to the fact that the provision of sanitation facilities i.e. VIP toilets is quick to implement while water services have a lot of statutory requirements that need to be adhered to before any construction work can commence.

1.4. FINANCIAL HEALTH OVERVIEW

Whilst the district municipality has over years maintained a strong financial position through having sufficient reserves, these reserves are however beginning to deplete as we continue to finance capital and operational projects. This is mainly due to service delivery backlogs that the district municipality has over the years. Also, due to the rural nature of the district municipality, we rely heavily on government grants as we have a low revenue base.

In line with the provisions of the Division of Revenue Act (DORA), the district municipality anticipates to receive such grants over the foreseeable future as we maintain a high compliance ratio with National Treasury requirements.

In an attempt to address the low revenue base of the district municipality, the municipal council adopted a Revenue Enhancement Strategy that currently being implemented in line with the implementation plan. Included in the components of this strategy are amongst others, the following: -

Water meter audit;

Data cleansing;

Replacement and installation of water meters;

Establishment of Revenue management offices, etc.

| Details | Original budget | Adjustment Budget | Actual |
|---------|-----------------|-------------------|--------|
| Income: | | | |

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE

| | | | |
|---------------------------|----------------|----------------|----------------|
| Grants | 815,371,000.00 | 857,831,240.00 | 737,010,793.00 |
| Taxes, Levies and tariffs | 22,526,200.00 | 22,526,200.00 | 16,722,504.00 |
| Other | 16,949,900.00 | 16,949,900.00 | 18,672,548.00 |
| Sub Total | 854,847,100.00 | 897,307,340.00 | 772,405,845.00 |
| Less: Expenditure | 644.00 | 640.00 | 645.00 |
| Net Total* | 854,846,456.00 | 897,306,700.00 | 772,405,200.00 |

1.4.1. OPERATING RATIOS

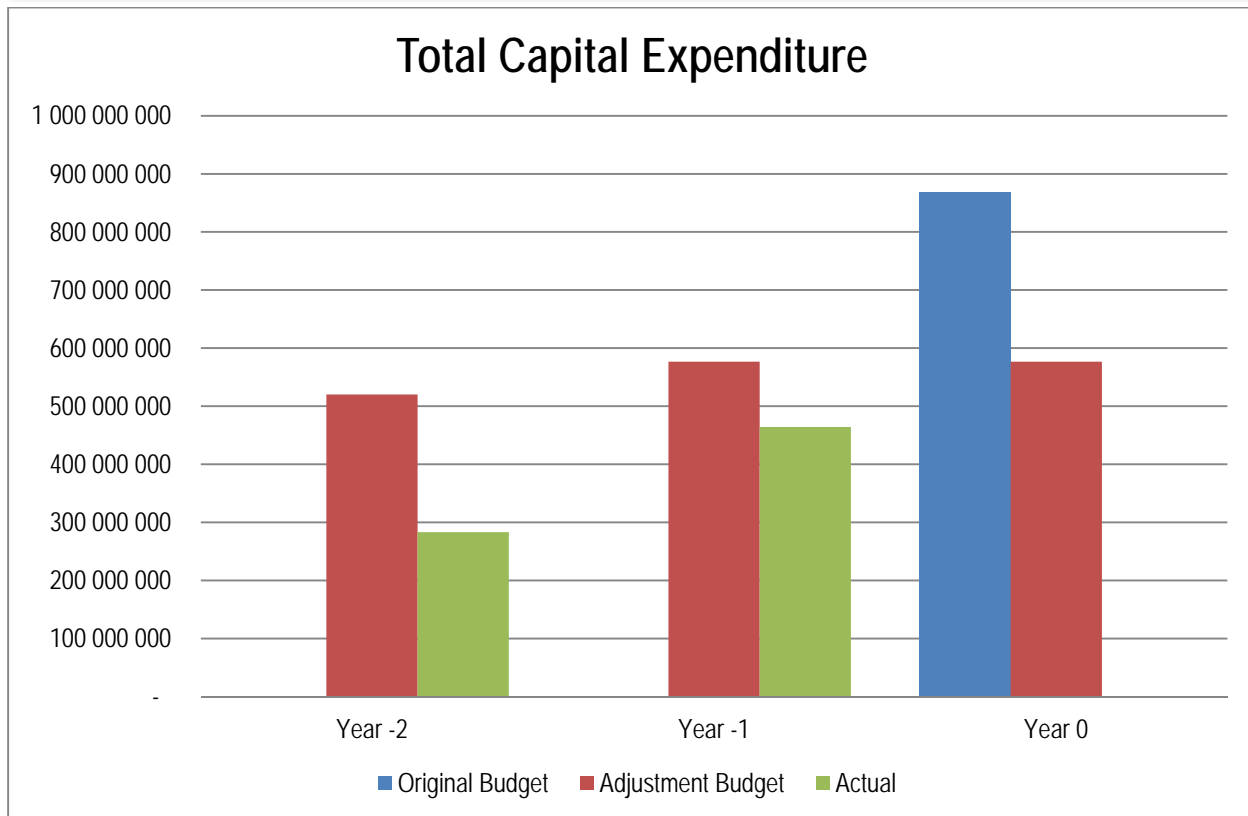
| Detail | % |
|------------------------------|-----|
| Employee Cost | 28% |
| Repairs & Maintenance | 10% |
| Finance Charges & Impairment | 3% |

- ✚ The 'Employee Costs' is expected to be approximately 30% to total operating cost; as this is the industry norm. AND employee operating cost ratio is 28%, which is even below the industry norm. It can be concluded that ANDM is doing well in managing employee costs.
- ✚ The cost of 'Repairs and maintenance' is expected to be approximately 20% to total operating cost, as this is the industry norm. ANDM repairs and maintenance operating cost ratio is 10%. Looking at this on the financial management perspective, ANDM can be regarded as financially health in regard to the containment of costs. It is further believed that these cost containment measures are not negative to the service delivery provision mandate of the municipality.
- ✚ The cost of 'Finance Charges and Impairment' is expected to be approximately 10% as per the industry norm. The ANDM finance charges and impairment operating cost ratio is 3%. It is then concluded that this municipality's financial management is on par, especially when you look at its operating cost ratios as a whole, as they fall way below the industry norms. The finance charges and impairment expenditure are well managed.

1.4.2 CAPITAL EXPENDITURE

| Detail | 2012/13 | 2014/15 | 2015/16 |
|-------------------|-------------|-------------|-------------|
| Original Budget | 557 306 879 | 800 964 403 | 869 259 298 |
| Adjustment Budget | 520 096 217 | 576 725 403 | 576 725 399 |
| Actual | 283 094 489 | 464 360 855 | 0 |

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE



The municipality approved an annual budget that was divided into capital and an operating budget in accordance with international best practice. The appropriation for capital projects considered the funding sources and the municipality had insured that funds were available and were not committed for other purposes.

The budget includes the Regional Bulk Infrastructure Grant which is schedule 6 (B) Grant as per Division of Revenue (DoRa). The implementing Agent is appointed by Department of Water Affairs and funds are not transferred to the municipality, therefore there was no expenditure incurred by the municipality. The budget for 2014 – 2015 will not include the total allocation but only the grant portion that will be implemented by the municipality

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

Section 66 of the Local Government: The Municipal Systems Act (Act No 32 of 2000) as amended requires a Municipal Manager to develop a staff establishment for the municipality and submit the staff establishment to the municipal council for approval. In line with the above legislative framework and other pertinent employment regulations the ANDM has reviewed its staff establishment for the financial year 2014-2015.

The structure had a total of 793 posts for the period and sum of 475 posts are filled resulting in a vacancy percentage of 40% for the period. The municipality administration is comprised of the following departments:

1. *Office of the Municipal Manager*
2. *Corporate Services*
3. *Budget and Treasury*
4. *Community Development Services*
5. *Infrastructure Development and Municipal Services*
6. *Planning and Economic Development*

The municipal manager together with four section 56 managers have all signed annual performance agreements for the year under review and submitted to the relevant authorities that is Department of Local Government and Traditional Affairs and Provincial Legislature. It is essential to note that Mr. MSA Kraai Senior Manager: Planning and Economic Development passed on during the year under review.

The municipality structure reflected below covers the top levels only and the comprehensive adopted organizational structure is attached to the report as an annexure for further reference.



CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE

1.6. AUDITOR GENERAL REPORT

AG's responsibility is to express an opinion on the consolidated and separate financial statements based on AG's audit. AG conducted AG's audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that AG comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated and separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and separate financial statements.

AG believes that the audit evidence AG have obtained is sufficient and appropriate to provide a basis for AG's qualified audit opinion.

The municipal performance over the last three financial years in as far as the audit is concerned is summarized below:

| Financial Year | Auditor General's Opinion |
|----------------|---------------------------|
| 2012/13 | Disclaimer |
| 2013/14 | Qualified |
| 2014/15 | Qualified |

1.7. STATUTORY ANNUAL REPORT PROCESS

| No. | Activity | Timeframe |
|-----|--|-----------|
| 1 | Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period | July |
| 2 | Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting). | |
| 3 | Finalise the 4th quarter Report for previous financial year | |
| 4 | Submit draft year 1 Annual Report to Internal Audit and Auditor-General | |
| 5 | Municipal entities submit draft annual reports to MM | |
| 6 | Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant) | August |
| 8 | Mayor tables the unaudited Annual Report | |

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE

| No. | Activity | Timeframe |
|-----|---|---------------------|
| 9 | Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General | |
| 10 | Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase | |
| 11 | Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data | September – October |
| 12 | Municipalities receive and start to address the Auditor General's comments | November |
| 13 | Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report | |
| 14 | Audited Annual Report is made public and representation is invited | |
| 15 | Oversight Committee assesses Annual Report | December |
| 16 | Council adopts Oversight report | |
| 17 | Oversight report is made public | |
| 18 | Oversight report is submitted to relevant provincial councils | January |
| 19 | Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input | |

The Alfred Nzo Municipal Annual Report enables the Council and the public to monitor the progress of the municipality against a set of specific objectives established by the municipality. Since the Annual Report considers previous, current and future year activities, ANDM may choose to integrate its annual reporting process with other municipal planning and management processes.

Annual reporting promotes a greater understanding of municipal responsibilities and priorities and also provides an opportunity to engage citizens in setting municipal objectives. Each municipality can choose how it will measure its progress against the objectives and how it will report on its progress each year. \

The Council may consider establishing a feedback form that citizens can use to advise Council of the type of information they would like to see included in subsequent reports.

The Annual Report will be made available for public at the municipal offices and at the municipal public meetings.

CHAPTER 2: GOVERNANCE

CHAPTER 2: GOVERNANCE

Alfred Nzo District Municipality is a district authority, category C of the municipality which means all the executive powers of the municipality are vested to the Council. The provisions of the latter are per section 12 of the Notice of the Municipal Structures Act 117 of 1990. Council has a minimum of four (4) meetings per year. All meetings are preceded by meetings of the Standing and Mayoral committees. In addition to the Ordinary Council meetings convened during the year, Special Council meetings and Committee meetings are convened as and when required to ensure that decisions are not delayed.

A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The municipal manager is the Accounting Officer and the leader of the administrative business of the municipality, supported by 5 Senior Managers. The administrative leadership are involved in a day to day running of the municipality.

| Indicators | Targets | Achievements |
|---------------------------|--|--|
| Filling of critical posts | To fill all Section 56 positions including the Municipal Manager | Municipal Manager position has been filled Five Section 56 manager posts filled |

2.1. POLITICAL GOVERNANCE

Alfred Nzo District Municipality is a district authority, category C of the municipality which means all the executive powers of the municipality are vested to the Council. The provisions of the latter are per section 12 of the Notice of the Municipal Structures Act 117 of 1990. Council has a minimum of six (6) meetings per year. All meetings are preceded by meetings of the standing committees. In addition to the Ordinary Council meetings undertaken during the year, Special Council meetings and Committee meetings are convened during to ensure that decisions are not delayed.

| | 2014/15 for the period July 14– Jun 15 | |
|----------------------|--|---|
| | Ordinary | Special |
| Council Meetings | 4 | 10 |
| Mayoral Committee | 6 | 2 |
| Executive Management | 10 | 8 |
| Full Management | 12 | 3 |
| Audit Committee | 4 | 0 – 2 meetings did not seat due performance management system (PMS) delays. |
| MPAC | 4 | 0 |
| Whippery Programmes | 1 x Study Group held for all Councilors | |
| | 16 x District Whippery Forum workshop on oversight, customization of Chief Whips | |
| | 7 x caucuses were held in preparation for the Council Sittings | |
| Speakers Forum | 4 x Speakers Forum held | |

CHAPTER 2: GOVERNANCE

2.1.1. TOP POLITICAL STRUCTURE

| Picture | POLITICAL STRUCTURE | Name | Function |
|---------|-------------------------------|-----------------------|---|
| | Executive Mayor | Cllr. E.N. Diko | Political head of the Institution and performs all the functions as per the legislation |
| | Deputy Executive Mayor | Cllr. S. Mehlomakhulu | Performs all functions as delegated by the Executive Mayor. Chairperson of Infrastructure Development and Municipal Services Standing committee |
| | Speaker | Cllr. S. Sello | Chairperson of the Council |
| | Chief Whip | Cllr. N. Tobo | Political link between organisations within the Council |
| | | Cllr. V.N.S Mdingazwe | Chairperson of Community Development Services Standing Committee |
| | | Cllr. Z. Busuku | Chairperson of Budget & Treasury Office Standing Committee |
| | | Cllr. B. P. Mabhengu | Chairperson of the Corporate Services standing Committee |

CHAPTER 2: GOVERNANCE

| Picture | POLITICAL STRUCTURE | Name | Function |
|---------|---------------------|-------------------|---|
| | | Cllr. M. Gqola | Chairperson of Planning & economic Development Standing Committee |
| | | Cllr. P. Nyangana | Chairperson of IGR & Communications Standing Committee |
| | | Cllr B. Maningi | Chairperson of Special Programmes Unit Standing Committee |

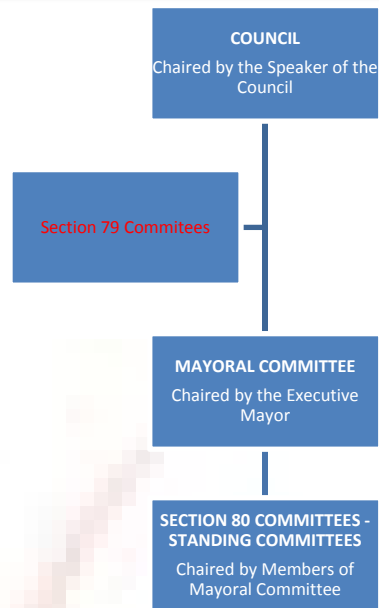
2.1.2. COUNCILLORS

The Alfred Nzo District Municipality is made up 40 Councillors and proportionally representatives from the four local municipalities (Matatiele, Mbizana, Ntabankulu and Umzimvubu) there were three vacancies during the year under review and eight Traditional Leaders from their Traditional Councils in accordance with Section 81 of the Local Government: Municipal Structures Act. Refer to **Appendix A** where a full list of Councilors and Traditional Leaders can be found (including committee allocations and attendance at council meetings).

2.1.3. POLITICAL DECISION-TAKING

The political decisions are taken as per the diagram depicted below. Standing committees endorse from the management to the Mayoral Committee and the latter approves in accordance with powers as per the Municipal Delegation Framework and further recommend to the Council for approval.

CHAPTER 2: GOVERNANCE



CHAPTER 2: GOVERNANCE

2.2. ADMINISTRATIVE GOVERNANCE

Administrative governance is concerned with the effective functioning of the municipality and its day to day operations in terms of Finance, Corporate.

| Picture | Position | Name | Function |
|---------|--|-----------------|--|
| | Municipal Manager | Vacant | Provide administrative leadership |
| | Chief Financial Officer | Mr. L. Fokazi | Financial management in order to promote financial viability |
| | Senior Manager: Infrastructure Development & Municipal Services | Mr. X. Masiza | Responsible for provision of basic service delivery |
| | Senior Manager: Led & Planning | Vacant | Facilitate the promotion of municipal planning and regional economic growth |
| | Senior Manager: Community Development Services | Mrs. N. Ngxenge | Manage the implementation of fire and rescue services, with Municipal Health Service and Disaster Management |
| | Senior Manager: Corporate Services | Ms. N. N. Qaba | Manage Human Resource Management, ICT and Administration |

CHAPTER 2: GOVERNANCE

B: INTERGOVERNMENTAL RELATIONS

The Municipal Systems Act, Section 3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisage in the Constitution, Section 41.

2.3 INTERGOVERNMENTAL RELATIONS

2.3.1. NATIONAL INTERGOVERNMENTAL STRUCTURES

The municipality participated in some of the National Intergovernmental Structures during the year under review such as National Municipal Managers Forum.

During the year under review the municipality has participated in the following national Intergovernmental Forums:

Presidential Infrastructure Coordinating Committee

MINIMEC

AgriParks

SALGA's National Members Assembly

2.3.2. PROVINCIAL INTERGOVERNMENTAL STRUCTURE

During the year under review the municipality has participated in the provincial IGR structures such as Technical, Political Muni MEC, Provincial Speakers Forum, PMIF (Provincial Municipal Infrastructure Forum) and Local Government Communicators Forum.

During the year under review the municipality has participated in the following Provincial Intergovernmental Forums:

Premier's Coordinating Forum

MuniMEC

Speakers' Forum

SALGA's Provincial Members Assemble

SALGA Working Groups

Intergovernmental Communications Forum

Local Government Communicators' Forum

Provincial AIDS Council

Provincial Gender Machinery

2.3.3. RELATIONSHIPS WITH MUNICIPAL ENTITIES

Alfred Nzo District Municipality established its development agency, Alfred Nzo Development Agency (ANDA), to focus on promoting and implementation of local economic development initiatives, investment mobilization, and trade promotion and marketing in so far as it relates to local economic development. ANDA is a municipal entity established in terms of the Municipal Systems Act and is accountable to the Municipality.

The district Municipality has established relations and partnerships with the following municipalities and entities:

CHAPTER 2: GOVERNANCE

City of Johannesburg
Ekurhuleni Metro Municipality
City of Lusaka in Zambia
Joe Gqabi District Municipality
Ugu District Municipality
Harry Gwala District Municipality
Coega Development Agency
O. R. Tambo District Municipality

2.3.4. DISTRICT INTERGOVERNMENTAL STRUCTURES

These structures are up and running with varying degrees of effectiveness and efficiency, however there is room for improvement. These IGR structures have been established as mandated by the Intergovernmental Relations Framework.

District structures include political forums, namely:

Integrated Development Plan (IDP) Forum

District Mayors Forum (DIMAFO),

Speakers Forum;

Chief whips Forum,

Municipal Managers Forum,

Technical Support Forum,

District Communicators Forum

Chief Financial Officers' Forum.

District Wide Infrastructure Forum

District AIDS Council

District Women's Forum

District Men's Forum

District Disability Forum

Children Advisory Council

Older Persons' Forum

Young Women's Network

District Youth Council

Initiation Forum

The sitting of the IGR structures has been incorporated into the adopted Municipal Planning Calendar for 2015/16 Financial Year, this will enable the institution to monitor the effectiveness of these sittings.

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C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

The institution has put various mechanisms aimed at advancing public accountability and participation and it has conducted a series of community and stakeholder engagements through structures like; IDP & Budget outreaches Mayoral Committee outreaches, MPAC, Audit committees, Standing committees, Council meetings and Open Council Day.

The municipality conducts an Annual Open Council Day/State of the District Address in Ward 3, Ha-Sibi in Matatiele as identified wherein members of communities were afforded an opportunities to interact with the municipal leadership.

Oversight Committees such as Standing Committees, MPAC Committee, conducted oversight visits to projects that are currently implemented by the institution to verify information contained in progress reports.

2.4. PUBLIC MEETINGS

2.4.1. COMMUNICATION, PUBLIC PARTICIPATION AND FORUMS

The Alfred Nzo District Municipality Communication Strategy was developed and adopted by the Council. The strategy is reviewed on an annual basis to review its efficiency and effectiveness. ANDM has quarterly District Communicators Forum (Communicators from the four local municipalities, government departments and State Owned Entities) and District Communications Core Team meetings respectively sit to coordinate integrated communication programmes. During the year under review the district municipality facilitated 23 community outreach programmes aimed at bringing government closer to communities and encouraging participatory citizenry in planning municipal affairs.

The municipality has also developed communications policy that has been adopted by the Council.

During the reporting year, Alfred Nzo District Municipality has initiated Annual Communicators and Community Media Awards that are aimed strengthening relations between its local municipalities, government communicators, media and strategic partners in conveying developmental messages to communities and thereby minimizing information gap.

2.4.2. WARD COMMITTEES

Ward Committee structures as per the Systems Act are located within the local municipalities of the district municipality. They play a central role in developing municipality's IDP & Budget and Municipal Programme of Action.

Through the Speaker's Forum office the Speaker had convened a District Wide Ward Committee Summit.

2.5. IDP PARTICIPATION AND ALIGNMENT

| IDP Participation and Alignment Criteria* | Yes/No |
|---|--------|
| Does the municipality have impact, outcome, input, output indicators? | Yes |
| Does the IDP have priorities, objectives, KPIs, development strategies? | Yes |
| Does the IDP have multi-year targets? | Yes |
| Are the above aligned and can they calculate into a score? | Yes |
| Does the budget align directly to the KPIs in the strategic plan? | Yes |

CHAPTER 2: GOVERNANCE

| | |
|--|-----|
| Do the IDP KPIs align to the Section 57 Managers | Yes |
| Do the IDP KPIs lead to functional area KPIs as per the SDBIP? | Yes |
| Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes | Yes |
| Were the indicators communicated to the public? | Yes |
| Were the four quarter aligned reports submitted within stipulated time frames? | Yes |
| * Section 26 Municipal Systems Act 2000 | |

D: CORPORATE GOVERNANCE

By 2014, all organs of the state in South Africa are expected to have achieved clean audits on their Annual Financial Statements and maintaining systems for sustaining quality financial statements and management information.

In an effort to achieve the nationwide objective, the Alfred Nzo District Municipality is in a process of reviving and institutionalizing the Operation Clean Audit (OCA) to complement the developed Audit Action Plan (FY 2015/16) to put in place a systematic approach in addressing AG queries. The OCA committee was tasked to focus on underlying root causes and put forth recommendations for strengthening of systems.

An Audit Action Plan to address queries raised by Auditor General during the 2014/15 Audit. The plan was implemented by all departments of the institution and the progress on implementation was tracked through report.

2.6. RISK MANAGEMENT

Fraud awareness workshops were facilitated to assist Councilors and ANDM employees understand fraud and corruption, including their roles in the prevention and combating fraud within the municipality. Fraud and wide risk assessments were also conducted to identify high risk areas along with mitigating strategies.

The Risk Assessment workshop which was conducted to track progress for 2013/2014 and to use the information as baseline in developing a Risk Register for the 2014/15 as well as to develop a risk-based Internal Audit Plan.

- *None compliance reviews*

Compliance review was not conducted during the year under review due to lack of personnel.

The position of the Risk Manager has been vacant in the previous financial years and the municipality in the year under review has since filled the position of the Risk Manager.

2.7. ANTI-CORRUPTION AND FRAUD

Fraud and Anti- corruption plan was developed and adopted by the Council for the year under review. Subsequent to that fraud awareness workshops were facilitated to assist Councilors and ANDM employees understand fraud and corruption, including their roles in the prevention and combating fraud within the municipality. Fraud and wide risk assessments were also conducted to identify high risk areas along with mitigating strategies.

CHAPTER 2: GOVERNANCE

2.8. SUPPLY CHAIN MANAGEMENT

2.8.1. SUPPLY CHAIN MANAGEMENT POLICY

Alfred Nzo District Municipality has developed the supply chain management policy and its being implemented. The policy is being reviewed yearly in line with IDP and Budget implementation process plan, with all other municipal policies.

2.8.2. SUPPLY CHAIN MANAGEMENT POLICY COMPLIANCE WITH PRESCRIBED FRAMEWORK

Supply chain management policy of the Alfred Nzo municipality does comply with all National Treasury Regulations and the applicable legislations. The supply chain management policy of Alfred Nzo is fair, equitable, transparent, competitive and cost-effective and complies with prescribed regulatory framework for municipal supply chain management, which cover at least the following:

- *The range of supply chain management processes that municipalities and including tenders, quotations, auctions and other types of competitive bidding;*
- *when Alfred Nzo District municipality may or must use a particular type of process;*
- *procedures and mechanisms for each type of process;*
- *Procedures and mechanisms for more flexible processes where the value of a contract is below a prescribed mount;*
- *open and transparent pre-qualification processes for tenders or other bids;*
- *competitive bidding processes in which only pre-qualified persons may participate;*
- *bid documentation, advertising of and invitations for contracts;*
- *procedures and mechanisms for—*
 - ✚ *the opening , registering and recording of bids in the presence of interested persons;*
 - ✚ *the evaluation of bids to ensure best value for money;*
 - ✚ *negotiating the final terms of contracts; and*
 - ✚ *the approval of bids;*
- *screening processes and security clearances for prospective contractors on tenders or other bids above a prescribed value;*
- *compulsory disclosure of any conflicts of interests prospective contractors may have in specific tenders and the exclusion of such*

CHAPTER 2: GOVERNANCE

prospective contractors from those tenders or bids;

- *participation in the supply chain management system of persons who are not officials of the municipality or municipal entity, subject to section 117 of MFMA*
- *the barring of persons from participating in tendering or other bidding processes, including persons*
- *who were convicted for fraud or corruption during the past five years;*
- *who wilfully neglected, reneged on or failed to comply with a government contract during the past five years; or*
- *whose tax matters are not cleared by South African Revenue Service;*
- *measures for*
- *combating fraud, corruption, favouritism and unfair and irregular practices in municipal supply chain management; and*
- *promoting ethics of officials and other role players involved in municipal supply chain management;*
- *the invalidation of recommendations or decisions that were unlawfully or improperly made, taken or influenced, including recommendations or decisions that were made, taken or in any way influenced by*
- *Councillors in contravention of item 5 or 6 of the Code of Conduct for Councillors set out in Schedule 1 to the Municipal Systems Act; or*
- *municipal officials in contravention of item 4 or 5 of the Code of Conduct for Municipal Staff Members set out in Schedule 2 to that Act;*
- *the procurement of goods and services by municipalities through contracts procured by other organs of state;*
- *contract management and dispute settling procedures; and*

CHAPTER 2: GOVERNANCE

- *the delegation of municipal supply chain management powers and duties, including to officials.*

2.8.3. APPROVAL OF TENDERS NOT RECOMMENDED

If a tender other than the one recommended in the normal course of implementing the supply chain management policy of a municipality is approved, the accounting officer of the municipality do notify the Auditor-General in writing, the relevant provincial treasury and the National Treasury and, in the case of a municipal entity, also the parent municipality, of the reasons for deviating from such recommendation.

2.8.4. IMPLEMENTATION OF SYSTEMS

The accounting officer of Alfred Nzo municipality does

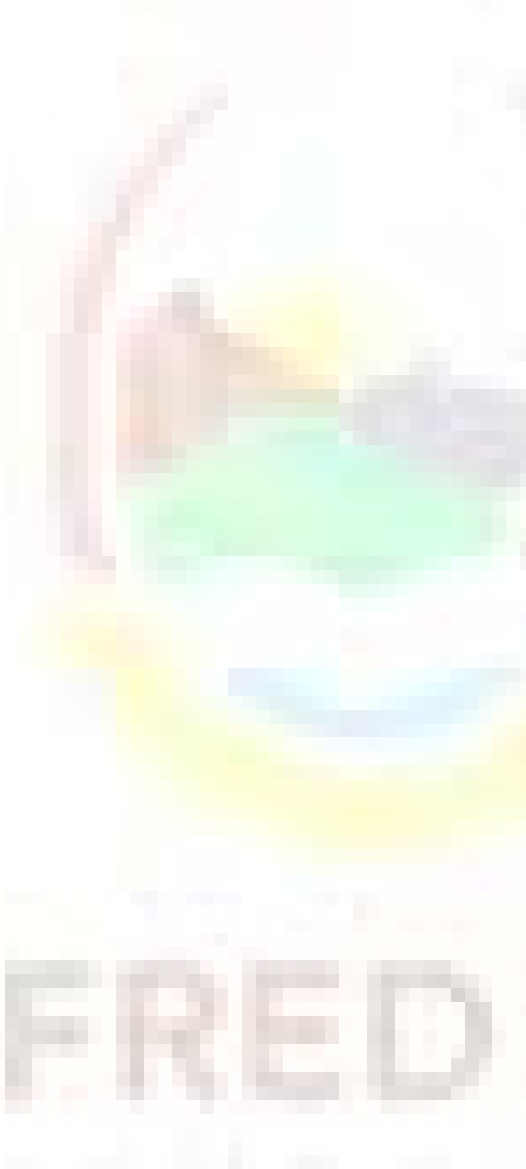
- *implement the supply chain management policy of the municipality and*
- *Take all reasonable steps to ensure that proper mechanisms and separation of duties in the supply chain management system are in place to minimise the likelihood of fraud, corruption, favoritism and unfair and irregular practices.*
- *No person may impede the accounting officer in fulfilling this responsibility.*

2.8.5. CONTRACTS AND CONTRACT MANAGEMENT

A contract or agreement procured through the supply chain management system of a municipality is completed/ prepared

- *in writing;*
- *stipulate the terms and conditions of the contract or agreement, which include provisions providing for*
- *the termination of the contract or agreement in the case of non- or underperformance;*
- *dispute resolution mechanisms to settle disputes between the parties;*
- *a periodic review of the contract or agreement once every three years in the case of a contract or agreement for longer than three years; and*

CHAPTER 2: GOVERNANCE

- 
- *any other matters that may be prescribed.*
 - *The accounting officer of a Alfred Nzo District municipality also*
 - *the termination of the contract or agreement in the case of non- or underperformance;*
 - *dispute resolution mechanisms to settle disputes between the parties;*
 - *a periodic review of the contract or agreement once every three years in the case of a contract or*
 - *take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the Alfred Nzo District municipality is properly enforced;*
 - *monitor on a monthly basis the performance of the contractor under the contract or agreement;*
 - *establish capacity in the administration of the Alfred Nzo District municipality*
 - *to assist the accounting officer in carrying out the duties set out in paragraphs (a) and (b); and*
 - *to oversee the day-to-day management of the contract or agreement; and regularly report to the council of the Alfred Nzo District municipality, as may be appropriate, on the management of the contract or agreement and the performance of the contractor.*
 - *A contract or agreement procured through the supply chain management policy of the municipality may be amended by the parties, but only after*
 - *the reasons for the proposed amendment have been tabled in the council of the Alfred Nzo District municipality.*

Councillors barred from serving on municipal tender committees

- *No Councillor of any municipality may be a member of a municipal bid committee or any other committee evaluating or*

CHAPTER 2: GOVERNANCE

approving tenders, quotations, contracts or other bids, nor attend any such meeting as an observer.

2.9. BY-LAWS

| Newly Developed | Revised | Public Participation Conducted Prior to Development of By-Laws (Yes or No) | Date of Public Participation | By-Laws Gazetted (Yes or No) | Dates of Publication |
|-----------------|---------|--|------------------------------|------------------------------|----------------------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

There are six(6) bylaws that were promulgated in 2009, since then they were never reviewed due to non-enforcement of By Laws by user directorates within the institution

2.10. WEBSITES

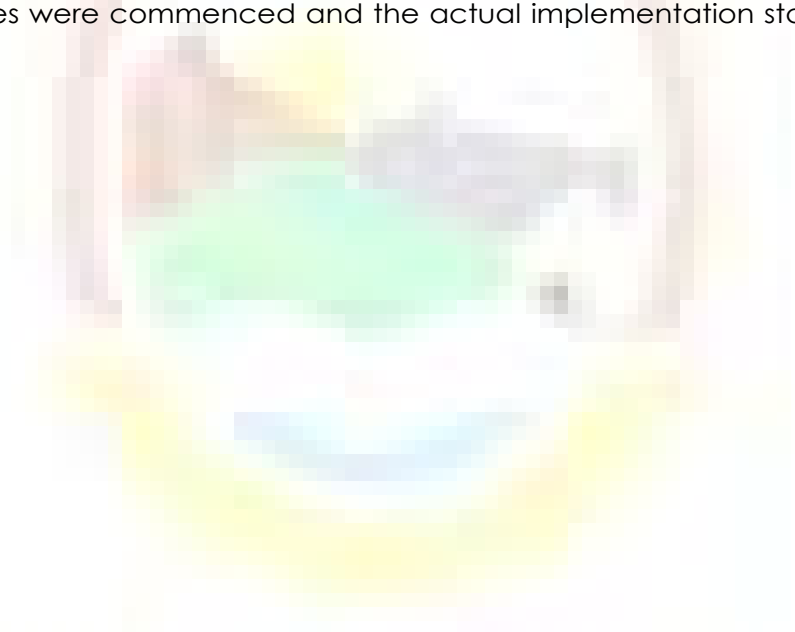
| Documents published on the Municipality's / Entity's Website | Yes / No | Publishing Date |
|---|----------|--|
| Current annual and adjustments budgets and all budget-related documents | yes | 28/01/2015 |
| All current budget-related policies | No | |
| The previous annual report (Year -1) | Yes | 10/04/2015 |
| The annual report (Year 0) published/to be published | Yes | To be uploaded at the prescribed time after adoption by Council. |
| All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards | Yes | |
| All service delivery agreements (Year 0) | Yes | 24/03/2015 |
| All long-term borrowing contracts (Year 0) | Yes | 16/03/2015 |
| All supply chain management contracts above a prescribed value (give value) for Year 0 | Yes | 13/02/2015 |
| An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1 | No | |
| Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section | No | |
| Public-private partnership agreements referred to in section 120 made in Year 0 | No | |
| All quarterly reports tabled in the Council in terms of section 52 (d) during Year 0 | No | |
| <i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i> | | T 2.10.1 |

CHAPTER 2: GOVERNANCE

Municipal Finance Management Act requires municipalities to have a website that is updated constantly with legislative documents such as IDP, SDBIP and Municipal Budget to mention the few. Alfred Nzo District Municipality does have a website (www.andm.gov.za) and is updated with the content as and when required. We, however, have shortfalls in doing so and have put plans in place to redress our shortfalls such as developing a calendar of requesting documents that are required by the MFMA to be uploaded on the website from the relevant divisions within the institution on the set timeframe.

2.11. CUSTOMER/ PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The Municipal Systems Act 32 of 2000; emphasises on the role of the municipality to establish sound relations between the municipality and its customers. Customer satisfaction measurement has a critical role in informing service delivery improvement. It allows the municipality to understand what its customer's value; how values vary between different types. The District Municipality has just established the customer care unit in the financial year 2012/13. In this financial year the municipality has been using suggestion boxes to measure satisfaction levels of the public. A budget to conduct customer satisfaction surveys was set aside and only Supply Chain Management processes were commenced and the actual implementation started in the fiscal year 14/15.



ALFRED NZO

CHAPTER 5 – FINANCIAL PERFORMANCE

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

INTRODUCTION

The Municipality is a Water Services Authority under the Municipal Structures Act (No117 of 1998). The Municipality, being the WSA, has also decided to fulfil the Water Services Provider function for the local Municipalities that fall within its area of jurisdiction. These services are performed under the infrastructure within the DM. The infrastructure department is split into three sections, the WSA, PMU and WSP.

The WSA is responsible for the compilation of the Water Services Development plan (WSDP) and the Master Plans for sanitation & transport planning. It is also responsible for the verification and review of by-laws and tariffs in terms of the Water Services Act (108 of 1997). It is also responsible for the investigations and designs of all water schemes and extensions.

The PMU deals with all capital and MIG funded projects in the entire district. These include water, sanitation, community facilities, and LED projects. This section also deals with the management of the funding of projects for which applications have been received and the implementation thereof. The strategic objectives of this unit are to provide services including engineering and community services to address the current backlogs.

The WSP is responsible for the operations and maintenance of the water purification and sewerage treatment works in all local municipalities within ANDM (Matatiele, Umzimvubu, Mbizana and Ntabankulu local Municipalities). It is responsible for the bulk and reticulation networks in the aforementioned municipalities. It is responsible for the operations and maintenance of water services infrastructure management of the drought relief funding, also deals with sampling for water and effluent quality testing and compliance with legislative requirements (BDS & GDS).

The key main stakeholders that are critical to the success of our effort to reduce backlog are listed as follows:

- *The entire community (beneficiaries) to be served with water to ensure ownership of the project.*
- *Political leadership represented by Council who ensures that budget is equitably allocated to ensure that it addresses the imbalances of the past in line with the Government's vision.*
- *National and Provincial Government through Municipal Infrastructure Grant which ensures that budget is made available.*
- *Contractors and professional service providers who forms part of business community to ensure that projects are implemented on time at the right quality.*

The municipality provides a high level, RDP and below RDP standards level of services of water and sanitation. People sourcing water from springs, rainwater tanks, streams, rivers, dams, or water vendors are deemed to be unserved. People sourcing water from within 200m from a standpipe in the rural areas are deemed to be served within the RDP Standards and people with ERF connections in the urban areas are deemed to be served with a high level service. The Municipality provides bulk services for water and Sanitation to Schools and clinics where the cost for connection is incurred by the respective sector departments

CHAPTER 5 – FINANCIAL PERFORMANCE

A: BASIC SERVICES

The major challenge that the municipality is currently facing is the reverse in backlogs resulting from the increase of a number of local municipalities it is serving. The verification reports show that there is a lot of backlog eradication, replacement and refurbishment of infrastructure that needs to be carried out at Mbizana and Ntabankulu areas. One of the challenges that the Municipality is facing in water provisioning is the statutory obligations. The challenge lies when the supporting departments do not respond promptly on compliance approvals i.e water licenses, ROD's on EIA's and Basic Assessments conducted. This, sometimes, stalls progress of projects thereby delaying the backlog eradication processes. The other challenge that is usually overlooked is the poor performance by the contractors.

These challenges need to be addressed in the following manner: - Strengthening relations with the support departments through the IGR process. It is imperative that the implementation of debt collection strategies and the compilation of the indigent register is done so that all consumers that do not qualify as indigent are billed to recover costs for operations and maintenance.

Contractor development/ incubation programme had been identified and strict selection criteria with respect to appointment of contractors are our areas of focus to change the situation going forward. Staff development and training remains our other area of focus to try and mitigate the issue of staff retention.

3.1. WATER PROVISION

OPERATIONS AND MAINTENANCE

Maintaining water schemes and ensuring ongoing clean drinking water supply to the communities. ANDM also ensures that the water treatment works are operational and they are operating with the set limits so as to ensure safe drinking water. Operations and maintenance is done even in rural schemes and there are rural operators that are working in these schemes thereby creating jobs for the communities living in poverty.

WATER CONSERVATION

This ensures that water provided by the municipality is conserved at a household level. This assists in ensuring that the municipality does not incur tedious water losses. Water conservation awareness and education is also conducted in rural areas.

REFURBISHMENT

This ensures that the existing water infrastructure in the district is maintained and refurbishment takes place where necessary so as to ensure continuous water provisioning. Through refurbishment, the municipality saves on water losses and unaccounted water.

WATER QUALITY MONITORING

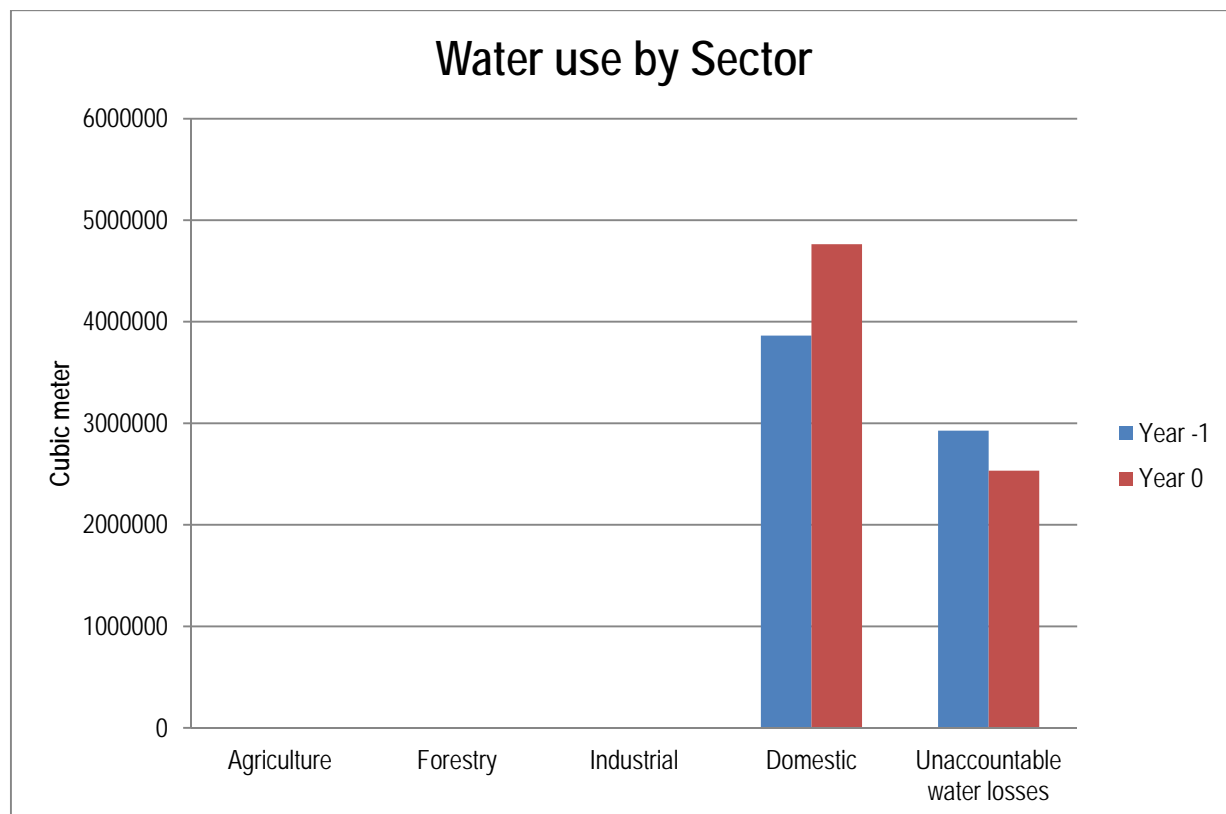
This ensures that water provided by the municipality is of good quality and is compliant to the set standards as per the department of Water Affairs.

WATER USAGE MONITORING

This ensures that the usage of water provided by the municipality is monitored.

CHAPTER 5 – FINANCIAL PERFORMANCE

| Total Use of Water by Sector (cubic meters) | | | | | |
|---|-------------|----------|------------|----------|----------------------------|
| | Agriculture | Forestry | Industrial | Domestic | Unaccountable water losses |
| Year -1 | 0 | 0 | 0 | 3864159 | 2927232 |
| Year 0 | 0 | 0 | 0 | 4763022 | 2534027 |
| | T 3.1.2 | | | | |



Alfred Nzo does not provide water for the following sectors:

- ✚ Agriculture,
- ✚ Forestry
- ✚ Industrial use.

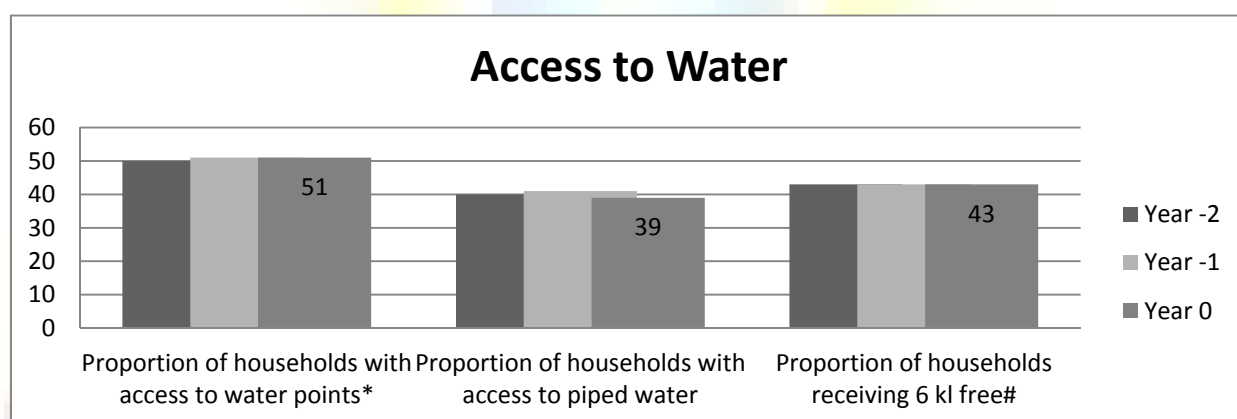
ANDM provides water for domestic use only; however there is unaccounted water that gets dictated and this is due to commercial activities taking place at a household level.

| Water Service Delivery Levels | | | | |
|---|------------|------------|------------|------------|
| Description | Households | | | |
| | Year -3 | Year -2 | Year -1 | Year 0 |
| | Actual No. | Actual No. | Actual No. | Actual No. |
| <u>Water:</u> (above min level) | | | | |
| Piped water inside dwelling | 11 950 | 12 319 | 12 596 | 12 698 |
| Piped water inside yard (but not in dwelling) | 3 015 | 3 108 | 3 178 | 3 204 |
| Using public tap (within 200m from dwelling) | 55 199 | 56 906 | 58 186 | 58 655 |
| Other water supply (within 200m) | | | | |
| <i>Minimum Service Level and Above sub-total</i> | 70 163 | 72 333 | 73 961 | 74 557 |
| <i>Minimum Service Level and Above Percentage</i> | 39.3% | 40.6% | 41.5% | 41.8% |

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| | | | | |
|---|----------------|----------------|----------------|----------------|
| Water: (below min level) | | | | |
| Using public tap (more than 200m from dwelling) | 17 358 | 17 086 | 16 789 | 16 113 |
| Other water supply (more than 200m from dwelling) | 98 756 | 96 458 | 92 840 | 87 677 |
| No water supply | | | | |
| <i>Below Minimum Service Level sub-total</i> | 116 114 | 113 544 | 109 629 | 103 790 |
| <i>Below Minimum Service Level Percentage</i> | 65.1% | 63.7% | 61.5% | 58.2% |
| Total number of households* | 178 347 | 178 347 | 178 347 | 178 347 |
| * - To include informal settlements | | | | T 3.1.3 |

| Households - Water Service Delivery Levels below the minimum | | | | | | |
|--|---------|---------|---------|-----------------|-----------------|---------|
| Description | Year -3 | Year -2 | Year -1 | Year 0 | | |
| | Actual | Actual | Actual | Original Budget | Adjusted Budget | Actual |
| | No. | No. | No. | No. | No. | No. |
| Formal Settlements | | | | | | |
| Total households | 176 285 | 176 285 | 176 285 | | | 176 285 |
| Households below minimum service level | 102 356 | 102 356 | 102 356 | | | 102 356 |
| Proportion of households below minimum service level | 58% | 58% | 58% | | | 58% |
| Informal Settlements | | | | | | |
| Total households | 2062 | 2062 | 2062 | | | 2062 |
| Households below minimum service level | 222 | 222 | 222 | | | 222 |
| Proportion of households below minimum service level | 11% | 11% | 11% | | | 11% |
| T 3.1.4 | | | | | | |



* Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute

6,000 liters of potable water supplied per formal connection per month

CHAPTER 5 – FINANCIAL PERFORMANCE

| Water Service Policy Objectives Taken From IDP | | | | | | | | | |
|---|---|-------------------------|--------|-----------------------|-----------------------|--------|-------------------------|-----------------------|------------------------|
| Service Objectives <i>Service Indicators</i> (i) | Outline Service Targets (ii) | Year -1 | | Year 0 | | | Year 1 | Year 2 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous Year (iii) | (iv) | *Previous Year (v) | *Current Year (vi) | (vii) | *Current Year (viii) | *Current Year (ix) | *Following Year (x) |
| Service Objective xxx | | | | | | | | | |
| <i>Households without minimum water supply</i> | Additional Households provided with minimum water supply during the year (Number of households (HHs) without supply at year end) | 4500 | 1089 | 1089 | 7050 | 7050 | 12661 | 27162 | 27162 |
| <i>Improve reliability of water supply</i> | Reduce the number of interruptions (Ints) in supply of one hour or more compared to the baseline of Year -1 (xxx interruptions of one hour or more during the yr) | 4 hrs | 4 hrs | 4 hrs | 4 hrs | 4 hrs | 4 hrs | 4 hrs | 4 hrs |
| <i>Improve water conservation</i> | Reduce unaccountable water levels compared to the baseline of Year -1 (xxx kilolitres (KLS) unaccounted for during the yr) | 50% | 75% | 45% | 50% | 50% | 45% | 35% | 35% |
| | | | | | | | | | |
| <i>Note: This statement should include no more than the top four priority service objectives, including milestones that relate to the blue water drop status as set out by the Water Affairs department. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i> | | | | | | | | | |

T 3.1.6

| Employees: Water Services | | | | | | | |
|---------------------------|-----------|--------|-----------|----------------------------------|-----------------------------------|-------------------|--|
| Job Level | Year -1 | Year 0 | | | | COMMENT | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) | | |
| | No. | No. | No. | No. | % | | |
| 0 - 3 | 7 | 7 | 6 | 1 | 14% | | |
| 4 - 6 | 20 | 24 | 20 | 11 | 46% | | |
| 7 - 9 | 36 | 62 | 29 | 52 | 84% | | |
| 10 - 12 | 59 | 74 | 49 | 23 | 31% | | |
| 13 - 15 | 65 | 96 | 18 | 32 | 33% | | |
| 16 - 18 | 0 | 0 | 0 | 0 | 0% | NOT ON ORGANOGRAM | |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% | NOT ON ORGANOGRAM | |
| Total | 187 | 263 | 122 | 119 | 0% | NOT ON ORGANOGRAM | |

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T3.1.7

CHAPTER 5 – FINANCIAL PERFORMANCE

3.1.2. WATER SERVICES CAPITAL EXPENDITURE YEAR 0:

| CAPITAL PROJECTS | YEAR 0 (RANDS) | | | | |
|---|-----------------------|-----------------------|-----------------------|------------|---------------------|
| | ORIGINAL BUDGET | ADJUSTMENT BUDGET | ACTUAL EXPENDITURE | % VARIANCE | TOTAL PROJECT VALUE |
| TOTAL ALL | 774 064 117.78 | 734 705 761.78 | 526 355 008.72 | | |
| TECHNICAL SERVICES | | | | | |
| REHAB OF MBIZANA PONDS PROV CA | 1 000 000 | 1 000 000 | 472 013 | 47% | |
| REHAB OF NTABANKULU POND PROV | 1 000 000 | 1 000 000 | 353 309 | 35% | |
| TOOLS & EQUIPMENT PROV CAP EXP | - | 100 000 | 31 154 | -100% | |
| FEASIBILITY PROV CAP EXP | 15 000 000 | 23 000 000 | 24 400 291 | 163% | |
| DROUGHT RELIEF PROJECTS PROV C | 2 000 000 | 2 000 000 | 1 900 387 | 95% | |
| MATATIELE WTW REFURB WATER AUGM PR | 3 000 000 | 3 000 000 | 3 220 449 | 107% | |
| REFURBISHMENT WATER SCHEME MBIZANA | 2 000 000 | 4 000 000 | 2 364 201 | 118% | |
| REFURBISHMENT WATER SCHEME UMZIMVUBU | 2 000 000 | 3 141 644 | 281 678 | 14% | |
| REFURBISHMENT WATER SCHEME MATATIELE | 2 000 000 | 2 000 000 | 1 995 847 | 100% | |
| REBURBISHM WATER SCHEM NTABANK | 2 000 000 | 2 000 000 | 1 980 998 | 99% | |
| REFURBISH MNCEBA WATER SCHEM P | 2 500 000 | 2 500 000 | 607 759 | 24% | |
| ACQUISITION OF MOBILE OFFICES | - | 1 500 000 | 638 940 | -100% | |
| TOOLS AND EQUIPMENT(JETTING MA | 1 000 000 | 900 000 | 2 850 148 | 285% | |
| MALUTI REG BULK WATER SUPPLY (BELFORD BULK PIPELINES) | 8 000 000 | 8 000 000 | 5 042 707 | 63% | |
| KWA- BACA SOUTH LEG WATER AUG | 5 000 000 | 5 000 000 | 3 359 537 | 67% | |
| KWA- BACA SOUTH LEG WATER AUG | - | - | 295 429 | -100% | |
| RAMS-PROFESSIONAL FEES PROV C | 2 104 000 | 2 104 000 | 2 120 629 | 101% | |
| RHIG | - | 8 000 000 | 4 501 553 | -100% | |
| GREATER BIZANA - DBSA | 61 000 000 | 61 000 000 | 18 344 190 | 30% | |
| FOBANE PHASE 2 WATER/S - DBSA | 58 978 690 | 58 978 690 | - | 0% | |
| UMZIMVUBU WARD 13 W/SUP - DBSA | 50 000 000 | 50 000 000 | 32 356 854 | 65% | |
| UMZIM WARD 14 W/SUPPLY - DBSA | 51 103 827 | 51 103 827 | 13 811 592 | 27% | |
| NTABANKULU MWIG | 7 100 000 | 7 000 000 | 6 381 528 | 90% | |
| MBIZANA MWIG | 10 350 000 | 7 000 000 | 6 143 894 | 59% | |
| MATATIELE:MWIG PROV CAP EXP | 10 000 000 | 21 150 000 | 16 957 729 | 170% | |
| UMZIMVUBU MWIG | 27 200 000 | 19 500 000 | 16 091 963 | 59% | |
| RBIG MATATIELE PRO | 60 000 000 | 25 000 000 | 24 302 169 | 41% | |
| MT AYLIFF RBIG PROV CAP EXP | 25 000 000 | 25 000 000 | 6 376 051 | 26% | |
| RBIG MBIZANA PROV CAP EXP | 25 000 000 | - | - | 0% | |
| SIQHINGENI WATER SUPPLY PROV C | 6 000 000 | 6 000 000 | 7 477 820 | 125% | |
| CABA-MDENI WATER SUPPLY PROV C | - | - | 169 694 | -100% | |
| THOLAMELA WATER SUPPLY - DBSA | 15 500 000 | 15 500 000 | 23 956 003 | 155% | |
| FOBANE WATER SUPPLY DBSA PROV | 15 000 000 | 15 000 000 | 17 636 438 | 118% | |
| HLANE WATER SUPPLY PHASE 4 PRO | 3 000 000 | 3 000 000 | 3 320 608 | 111% | |
| NTABANKULU SEWER UPGRADE PROV | 12 000 000 | 12 000 000 | 11 404 764 | 95% | |
| SANITATION ALL MUNICIPALITY PR | 37 876 504 | 37 876 504 | 28 312 788 | 75% | |
| MBIZ WARD 28 CONSTR.OF VIP TOI | 11 937 373 | 11 937 373 | 6 304 028 | 53% | |
| MBIZ WARD 19 CONSTR.OF VIP TOI | 17 000 000 | 17 000 000 | 19 728 332 | 116% | |
| MBIZ WARD 16 CONSTR.OF VIP TOI | 5 000 000 | 5 000 000 | 2 740 319 | 55% | |
| QWIDLANA WATER SUPPLY AREA 5 | 5 000 000 | 5 000 000 | 11 987 960 | 240% | |
| KWABHACA REGINAL WATER -MIG PR | 11 413 723 | 11 413 723 | 10 355 009 | 91% | |
| QWIDLANA WATER SUPPLY - MIG PR AREA 3 & 4 | 5 500 000 | 5 500 000 | 9 636 318 | 175% | |
| CABAZI WATER - MIG PROV CAP EX | - | - | 3 663 900 | -100% | |
| CABAZANA WATER - MIG PROV CAP | 13 000 000 | 13 000 000 | 27 340 269 | 210% | |

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| | | | | |
|---|------------|------------|------------|-------|
| UMZIMVIUBU WARD 14 - MIG PROV | 7 500 000 | 12 500 000 | - | 0% |
| MALUTI/MATATIELE/RAMO -MIG WATER SUPPLY | 9 000 000 | 9 000 000 | 14 441 981 | 160% |
| RAMOHLAKOANA/MALUTI SEWER PROV CAP EXP | 10 000 000 | 10 000 000 | 3 555 956 | 36% |
| MT AYLIF PERI-URBAN | 3 000 000 | 3 000 000 | 3 789 028 | 126% |
| UMZIMVUBU WARD 13 PROV CAP EXP | 2 500 000 | 2 500 000 | 26 687 126 | 1067% |
| QWIDLANA WATER SUPPLY PROV CAP AREA 1 & 2 | 10 000 000 | 10 000 000 | 5 412 241 | 54% |
| NTIBANE WATER PROJECT PROV CAP | 15 000 000 | 10 000 000 | 12 530 664 | 84% |
| CABAZI WATER PROV CAP EXP | 1 500 000 | 5 000 000 | 5 533 333 | 369% |
| REFURBISH MNCEBA WATER SCHEM P | 25 500 000 | 22 000 000 | 1 232 243 | 5% |
| NYOKWENI BOMVINI BULK WATER SUPPLY | 11 500 000 | 11 500 000 | 11 747 198 | 102% |
| UMZIMVUBU WARD 13 PROV CAP EXP | 14 000 000 | 27 000 000 | 26 596 479 | 190% |
| UMZIMVUBU WARD 24 PROV CAP EXP | 2 500 000 | 2 500 000 | - | 0% |
| UMZIMVUBU WARD 22 PROV CAP EXP | 6 000 000 | 11 000 000 | 12 977 354 | 216% |
| UMZIMVUBU WARD 6 PROV CAP EXP | 1 500 000 | 1 500 000 | - | 0% |
| MBIZANA WARD 12 PROV CAP EXP | 3 500 000 | 3 500 000 | - | 0% |
| MATATIELE WARD 16 PROV CAP EXP | 8 000 000 | 3 000 000 | 981 629 | 12% |
| MATATIELE WARD 15 PROV CAP EXP | 10 000 000 | 10 000 000 | 1 708 889 | 17% |
| MATATIELE WARD 22 PROV CAP EXP | 8 000 000 | - | 2 617 625 | 33% |
| MATATIELE WARD 5 PROV CAP EXP | 15 000 000 | 12 500 000 | 1 780 169 | 12% |
| MATATIELE WARD 7 PROV CAP EXP | 15 000 000 | 12 500 000 | 11 021 838 | 73% |
| NTABANKULU VIP SANITATION | - | - | 1 048 500 | -100% |
| THOLANG WATER SUPPLY PROV CAP | 2 500 000 | 2 500 000 | 1 475 507 | 59% |

83 835 households served with water by 2017. In year five, the municipality has a budget projection of 72 700 000 in providing water to its communities.

- Greater Mbizana Regional Bulk Water Supply R60 000 000
- District Sanitation project R30 000 000
- Mt Ayliff RBIG water project R25 000 000
- Matatiele RBIG Water project R25 000 000

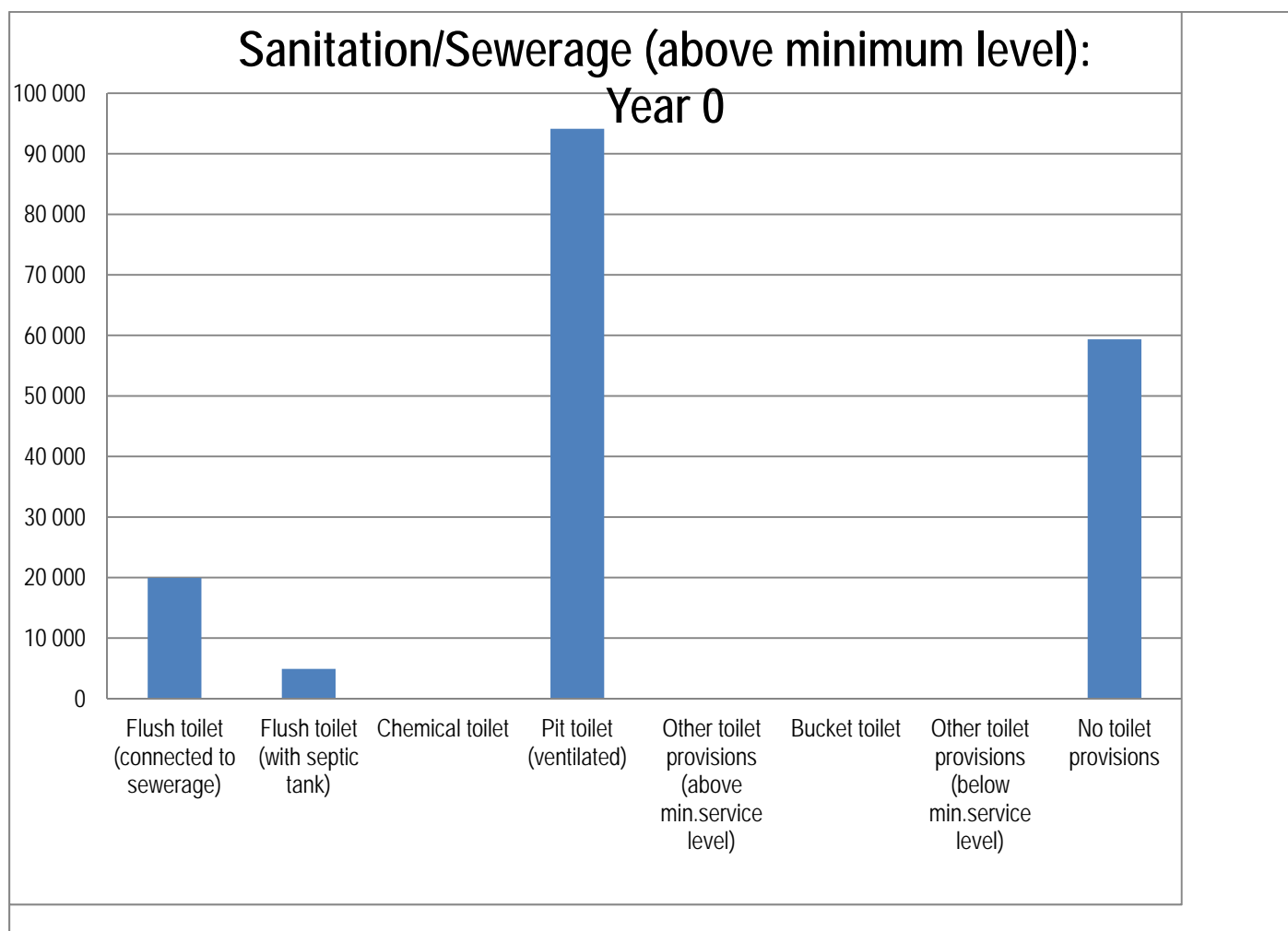
3.2. WASTE WATER (SANITATION) PROVISION

The Municipality provides sanitation for its entire jurisdiction i.e. Umzimvubu, Matatiele, Mbizana and Ntabankulu Local Municipalities. The Department operates the established 7 Sanitation Zone centres that are responsible to produce and construct sanitation facilities in the rural area. This activity is purely a labour intensive initiative. This is where the District Municipality manages to provide many job opportunities whilst providing the sanitation service to the community. It is through this initiative that the District Municipality received lots of incentives from the EPWP. Furthermore, implementation of the VIP toilets programme has also been extended to Mbizana and Ntabankulu local municipalities, the construction is done through normal tender processes and construction. It should be noted, however, that due to change from use of cement blocks for the building of toilets to precast type structure, the requirement for huge numbers of labour was reduced as the precast panels are not manufactured within the zone center.

The municipality appoints people from the areas where VIP toilets are being constructed and this addresses issues of unemployment in communities living in poverty.

The municipality is also serving the communities with Waste Water Treatment through the treatment of Sewer and managing the disposal of sewage from the septic tanks especially in areas that are not connected to water borne system.

CHAPTER 5 – FINANCIAL PERFORMANCE



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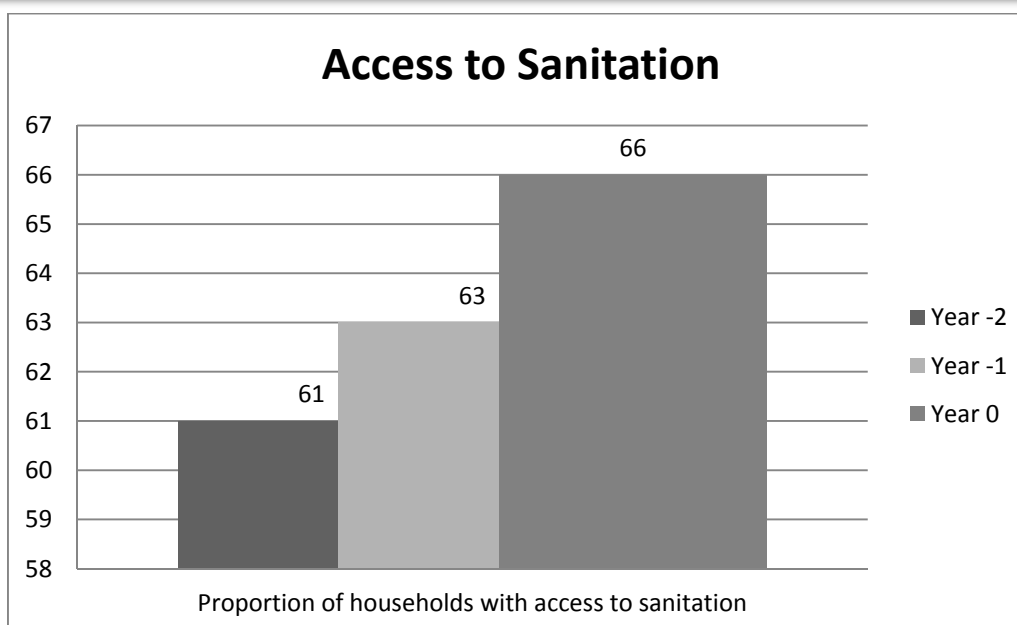
CHAPTER 5 – FINANCIAL PERFORMANCE

3.2.1. SANITATION SERVICE DELIVERY LEVELS

| Sanitation Service Delivery Levels | | | | |
|---|----------------|----------------|----------------|----------------|
| Description | Year -3 | Year -2 | Year -1 | *Households |
| | Outcome | Outcome | Outcome | Actual |
| | No. | No. | No. | No. |
| <u>Sanitation/sewerage: (above minimum level)</u> | | | | |
| Flush toilet (connected to sewerage) | 18 137 | 18 762 | 19 058 | 19 958 |
| Flush toilet (with septic tank) | 3 891 | 4 009 | 4 514 | 4 914 |
| Chemical toilet | 0 | 0 | 0 | 0 |
| Pit toilet (ventilated) | 81 740 | 85 973 | 89 981 | 94 124 |
| Other toilet provisions (above min.service level) | | | | |
| <i>Minimum Service Level and Above sub-total</i> | 103 768 | 108 744 | 113 553 | 118 996 |
| <i>Minimum Service Level and Above Percentage</i> | 58.2% | 61.0% | 63.7% | 66.7% |
| <u>Sanitation/sewerage: (below minimum level)</u> | | | | |
| Bucket toilet | | | | |
| Other toilet provisions (below min.service level) | | | | |
| No toilet provisions | 74 579 | 69 603 | 64 794 | 59 351 |
| <i>Below Minimum Service Level sub-total</i> | 74 579 | 69 603 | 64 794 | 59 351 |
| <i>Below Minimum Service Level Percentage</i> | 41.8% | 39.0% | 36.3% | 33.3% |
| Total households | 178 347 | 178 347 | 178 347 | 178 347 |
| <i>*Total number of households including informal settlements</i> | | | | <i>T 3.2.3</i> |

| Households - Sanitation Service Delivery Levels below the minimum | | | | | | |
|---|---------|---------|---------|-----------------|-----------------|----------------|
| Description | Year -3 | Year -2 | Year -1 | Year 0 | | |
| | Actual | Actual | Actual | Original Budget | Adjusted Budget | Actual |
| | No. | No. | No. | No. | No. | No. |
| Formal Settlements | | | | | | |
| Total households | 176 285 | 176 285 | 176 285 | | | 176 285 |
| Households below minimum service level | 75 123 | 69 178 | 65 782 | | | 59 351 |
| Proportion of households below minimum service level | 43% | 39% | 37% | | | 34% |
| Informal Settlements | | | | | | |
| Total households | 2062 | 2062 | 2062 | | | 2062 |
| Households below minimum service level | 222 | 222 | 222 | | | 222 |
| Proportion of households below minimum service level | 11% | 11% | 11% | | | 11% |
| | | | | | | <i>T 3.2.4</i> |

CHAPTER 5 – FINANCIAL PERFORMANCE



| Waste Water (Sanitation) Service Policy Objectives Taken From IDP | | | | | | | | | |
|---|---|-------------------------|--------|-----------------------|-----------------------|--------|-------------------------|-----------------------|------------------------|
| Service Objectives <i>Service Indicators</i> (i) | Outline Service Targets (ii) | Year -1 | | Year 0 | | | Year 1 | Year 3 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous Year (iii) | (iv) | *Previous Year (v) | *Current Year (vi) | (vii) | *Current Year (viii) | *Current Year (ix) | *Following Year (x) |
| Service Objective xxx | | | | | | | | | |
| <i>Provision of toilets within standard</i> | Additional Households (HHs) provided with minimum sanitation during the year (Number of HHs remaining without minimum sanitation at year end) | 8500 | 8500 | 10626 | 5645 | 5645 | 5399 | 6000 | 6000 |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

*Note: This statement should include no more than the top four priority service objectives, including milestones that relate to the green drop status as set out by the Water Affairs department. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*

T 3.2.6

CHAPTER 5 – FINANCIAL PERFORMANCE

3.2.2. EMPLOYEES IN SANITATION SERVICES

| Employees: Sanitation Services | | | | | |
|--------------------------------|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year -1 | Year 0 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 3 | 4 | 3 | 0 | 0% |
| 4 - 6 | 4 | 5 | 4 | 1 | 20% |
| 7 - 9 | 0 | 12 | 0 | 0 | 100% |
| 10 - 12 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| 13 - 15 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| 16 - 18 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| 19 - 20 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| Total | 7 | 21 | 7 | 1 | NOT ON ORGANOGRAM |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

CHAPTER 5 – FINANCIAL PERFORMANCE

3.2.3 FINANCIAL PERFORMANCE

| Financial Performance Year 0: Sanitation Services | | | | | |
|--|------------|-----------------|-------------------|--------------|--------------------|
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | | | | | 0% |
| Expenditure: | | | | | |
| Employees | 827 451.30 | 3 493 613.59 | 3 256 397.22 | 3 520 755.90 | 1% |
| Repairs and Maintenance | | | | | 0% |
| Other | | | | | 0% |
| Total Operational Expenditure | 827451 | 3493614 | 3256397 | 3520756 | 1% |
| Net Operational Expenditure | 827451 | 3493614 | 3256397 | 3520756 | 1% |
| <i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i> | | | | | <i>T 3.2.8</i> |

| Capital Expenditure Year 0: Sanitation Services | | | | | |
|---|----------|-------------------|--------------------|-------------------------------|---------------------|
| Capital Projects | Year 0 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 92418947 | 82000000 | 3782445 | -2343% | |
| SANITATION ALL | 60000000 | 82000000 | 3838445 | -1463% | 280 |
| ANDM SANITATION ALL LMS | 32418947 | 0 | -56000 | 57991% | 150 |
| | | | | | |
| | | | | | |
| <i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i> | | | | | <i>T 3.2.9</i> |

CHAPTER 5 – FINANCIAL PERFORMANCE

3.3. ELECTRICITY

This is not the ANDM competency; it is the competency of Local Municipalities. However the ANDM assist in facilitation the Electricity Sector Plan which outlines a strategy on how Local Municipalities should go about providing electricity for different user/ Level of service.

3.4 WASTE MANAGEMENT

This is the competency of the local municipality not the district municipality but the district assists in monitoring compliance and raising awareness on good waste management practices. ANDM also plays a role in ensuring that the Local Municipalities have got credible Integrated Waste Management Plans. ANDM developed an Integrated Waste Management Plan (IWMP) for all four local Municipalities within the district during the 2014/15 financial year. No awareness campaigns were conducted by ANDM but Matatiele and Mbizana LMs received wheelie bins from ANDM as part of encouraging proper waste management practices. ANDM also compile a proposal (on behalf of its LMs) to DEA for Youth Jobs in Waste and all four municipalities were awarded the program.

3.5 HOUSING

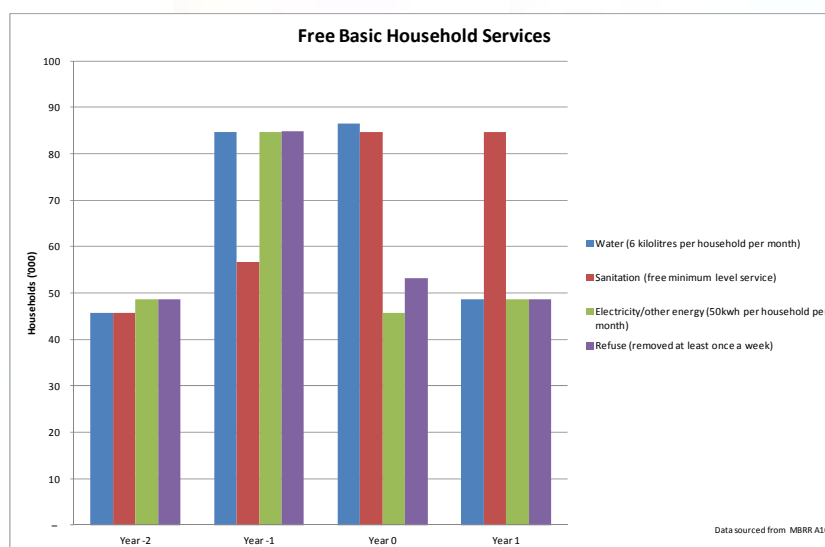
This is a Local Municipalities competency together with the department of Human Settlements.

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CHAPTER 5 – FINANCIAL PERFORMANCE

3.6. FREE BASIC SERVICES AND INDIGENT SUPPORT

Free Basic services have been established under WSA Unit and it has a coordinator. The Indigent Policy has been reviewed and adopted by council. The municipality has even took an initiative to translate the policy into ANDM languages and this has been completed. The FBS Unit also conducts awareness campaigns to sensitise communities of the processes and procedures to follow when applying for indigency. The policy makes mention that the applicant will be subjected to verification. During 2014/15 financial year, 42 000 households were verified and those households who qualify for free basic services were given the status and as such they received services supplied both by district municipality and local municipality.



3.6.1. FREE BASIC SERVICE DELIVERY LEVELS

| Free Basic Services To Low Income Households | | | | | | | | | | |
|--|----------------------|--|------------------|-----|-----------------------|-----|------------------------|---|-------------------|---|
| | Number of households | | | | | | | | | |
| | Total | Households earning less than 2 state pensions combined per household | | | | | | | | |
| | | | Free Basic Water | | Free Basic Sanitation | | Free Basic Electricity | | Free Basic Refuse | |
| | | Total | Access | % | Access | % | Access | % | Access | % |
| Year -2 | 178 347 | 178 347 | 11 492 | 6% | 85 813 | 48% | | | | |
| Year -1 | 178 347 | 178 347 | 63 078 | 35% | 110 413 | 62% | | | | |
| Year 0 | 178 347 | 178 347 | 38 942 | 22% | 119 000 | 67% | | | | |
| | | | | | | | | | | |

| Free Basic Services To Low Income Households | | | | | | | | | | |
|--|----------------------|---|------------------|-----|-----------------------|-----|------------------------|---|-------------------|---|
| | Number of households | | | | | | | | | |
| | Total | Households earning less than R1,100 per month | | | | | | | | |
| | | | Free Basic Water | | Free Basic Sanitation | | Free Basic Electricity | | Free Basic Refuse | |
| | | Total | Access | % | Access | % | Access | % | Access | % |
| Year -2 | 178 347 | 178 347 | 72 333 | 41% | 108 744 | 61% | | | | |
| Year -1 | 178 347 | 178 347 | 73 961 | 41% | 113 553 | 64% | | | | |
| Year 0 | 178 347 | 178 347 | 74 557 | 42% | 118 996 | 67% | | | | |
| T3.6.3 | | | | | | | | | | |

T 3.6.3

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3.6.3. FREE BASIC SERVICE FINANCIAL PERFORMANCE

| Financial Performance Year 0: Cost to Municipality of Free Basic Services Delivered | | | | | |
|---|---------|--------|-------------------|--------|--------------------|
| Services Delivered | Year -1 | Year 0 | | | |
| | Actual | Budget | Adjustment Budget | Actual | Variance to Budget |
| Water | 200 | 244 | 250 | 248 | 2% |
| Waste Water (Sanitation) | 220 | 240 | 250 | 245 | 2% |
| Electricity | 100 | 120 | 130 | 135 | 11% |
| Waste Management (Solid Waste) | 105 | 110 | 120 | 125 | 12% |
| Total | 625 | 714 | 750 | 753 | 5% |
| | | | | | T 3.6.4 |

Low earner receive free basic water services and this applies in urban and peri-urban areas. In rural areas the communities do not pay for water services as such everyone benefits.

T3.6.6

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B: ROAD TRANSPORT

This is not the competency of the district municipality.

3.7 ROADS

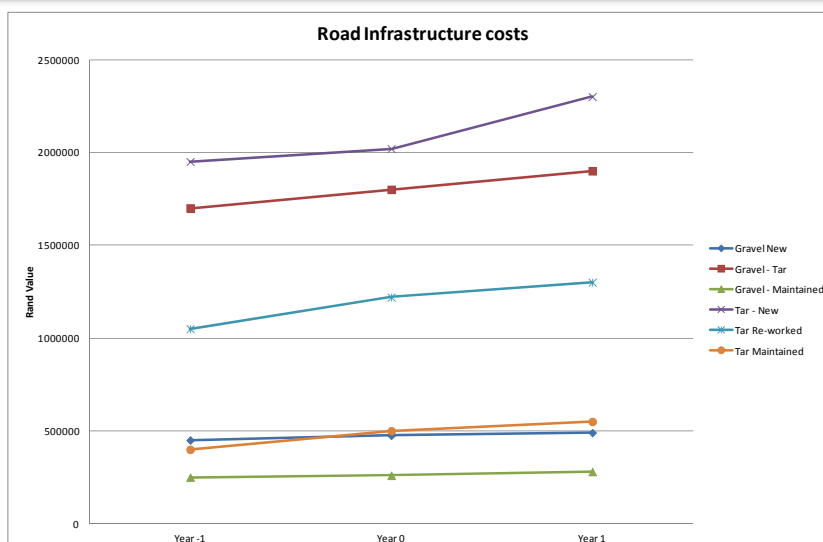
This is not the competency of the district municipality.

| Gravel Road Infrastructure | | | | |
|----------------------------|--------------------|------------------------------|------------------------------|--|
| | Total gravel roads | New gravel roads constructed | Gravel roads upgraded to tar | Kilometers Gravel roads graded/maintained |
| Year -1 | 145 | 15 | 10 | 100 |
| Year 0 | 160 | 20 | 12 | 120 |
| Year 1 | 166 | 25 | 14 | 140 |
| | | | | T3.7.2 |

| Tarred Road Infrastructure | | | | | |
|----------------------------|--------------------|---------------|------------------------------|-------------------------------|------------------------------------|
| | Total tarred roads | New tar roads | Existing tar roads re-tarred | Existing tar roads re-sheeted | Kilometers Tar roads maintained |
| Year -1 | 85 | 10 | 23 | 18 | 100 |
| Year 0 | 98 | 14 | 25 | 15 | 120 |
| Year 1 | 114 | 20 | 30 | 25 | 140 |
| | | | | | T3.7.3 |

| Cost of Construction/Maintenance | | | | | | |
|----------------------------------|--------|--------------|------------|---------|-----------|------------|
| | Gravel | | | Tar | | |
| | New | Gravel - Tar | Maintained | New | Re-worked | Maintained |
| Year -1 | 450000 | 1700000 | 250000 | 1950000 | 1050000 | 400000 |
| Year 0 | 475000 | 1800000 | 260000 | 2020000 | 1220000 | 500000 |
| Year 1 | 490000 | 1900000 | 280000 | 2300000 | 1300000 | 550000 |
| | | | | | | T3.7.4 |

CHAPTER 5 – FINANCIAL PERFORMANCE

[illegible]

| Employees: Road Services | | | | | |
|--------------------------|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year 0 | Year 1 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 1 | 1 | 1 | 0 | 0% |
| 4 - 6 | 3 | 3 | 3 | 0.5 | 17% |
| 7 - 9 | 6 | 6 | 6 | 1.5 | 25% |
| 10 - 12 | 7 | 7 | 7 | 1 | 14% |
| 13 - 15 | 9 | 9 | 9 | 2.2 | 24% |
| 16 - 18 | 11 | 11 | 11 | 0.9 | 8% |
| 19 - 20 | 18 | 18 | 18 | 1 | 6% |
| Total | 55 | 55 | 55 | 7.1 | 13% |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

**Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T3.7.7

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| Financial Performance Year 1: Road Services | | | | | |
|--|--------|-----------------|-------------------|--------|--------------------|
| Details | Year 0 | Year 1 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | 120 | 125 | 100 | 95 | -32% |
| Expenditure: | | | | | |
| Employees | 125 | 244 | 250 | 248 | 2% |
| Repairs and Maintenance | 25 | 244 | 250 | 248 | 2% |
| Other | 45 | 244 | 250 | 248 | 2% |
| Total Operational Expenditure | 195 | 732 | 750 | 744 | 2% |
| Net Operational Expenditure | 75 | 607 | 650 | 649 | 6% |
| Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T3.7.8 |

| Capital Expenditure Year 1: Road Services | | | | | |
|---|--------|-------------------|--------------------|-------------------------------|---------------------|
| Capital Projects | Year 1 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 260 | 326 | 378 | 31% | |
| Project A | 100 | 130 | 128 | 22% | 280 |
| Project B | 80 | 91 | 90 | 11% | 150 |
| Project C | 45 | 50 | 80 | 44% | 320 |
| Project D | 35 | 55 | 80 | 56% | 90 |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). | | | | | T3.7.9 |

This is not the competency of the district municipality

CHAPTER 5 – FINANCIAL PERFORMANCE

3.8 TRANSPORT

This is not the competency of the district municipality

| Municipal Bus Service Data | | | | |
|----------------------------|---|------------|--------------|------------|
| | | Year 0 | Year 1 | Year 2 |
| | Details | Actual No. | Estimate No. | Actual No. |
| 1 | Passenger journeys | | | |
| 2 | Seats available for all journeys | | | |
| 3 | Average Unused Bus Capacity for all journeys | % | | |
| 4 | Size of bus fleet at year end | | | |
| 5 | Average number of Buses off the road at any one time | % | | |
| 6 | Proportion of the fleet off road road at any one time | % | | |
| 7 | No. of Bus journeys scheduled | | | |
| 8 | No. of journeys cancelled | | | |
| 9 | Proportion of journeys cancelled | % | | |

| Transport Service Policy Objectives Taken From IDP | | | | | | | | | |
|---|-------------------------------------|-------------------------|--------|-----------------------|-----------------------|--------|-------------------------|-----------------------|------------------------|
| Service Objectives Service Indicators (i) | Outline Service Targets (ii) | Year 0 | | Year 1 | | | Year 2 | Year 4 | |
| | | Target | Actual | Target | | Actual | Target | | |
| | | *Previous Year (iii) | | *Previous Year (v) | *Current Year (vi) | | *Current Year (viii) | *Current Year (ix) | *Following Year (x) |
| Service Objective xxx | | | | | | | | | |
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Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are ‘universal municipal indicators’. * ‘Previous Year’ refers to the targets that were set in the Year 0 Budget/IDP round; *‘Current Year’ refers to the targets set in the Year 1 Budget/IDP round. *‘Following Year’ refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.

| Employees: Transport Services | | | | | |
|-------------------------------|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year 0 | Year 1 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 1 | 1 | 1 | 0 | 0% |
| 4 - 6 | 3 | 3 | 3 | 0.5 | 17% |
| 7 - 9 | 6 | 6 | 6 | 1.5 | 25% |
| 10 - 12 | 7 | 7 | 7 | 1 | 14% |
| 13 - 15 | 9 | 9 | 9 | 2.2 | 24% |
| 16 - 18 | 11 | 11 | 11 | 0.9 | 8% |
| 19 - 20 | 18 | 18 | 18 | 1 | 6% |
| Total | 55 | 55 | 55 | 7.1 | 13% |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

**Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T3.8.4

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| Financial Performance Year 1: Transport Services | | | | | |
|---|--------|-----------------|-------------------|--------|--------------------|
| Details | Year 0 | Year 1 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | 120 | 125 | 100 | 95 | -32% |
| Expenditure: | | | | | |
| Employees | 125 | 244 | 250 | 248 | 2% |
| Repairs and Maintenance | 25 | 244 | 250 | 248 | 2% |
| Other | 45 | 244 | 250 | 248 | 2% |
| Total Operational Expenditure | 195 | 732 | 750 | 744 | 2% |
| Net Operational Expenditure | 75 | 607 | 650 | 649 | 6% |
| <i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i> | | | | | T3.8.5 |

| Capital Expenditure Year 1: Transport Services | | | | | |
|---|--------|-------------------|--------------------|-------------------------------|---------------------|
| Capital Projects | Year 1 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 260 | 326 | 378 | 31% | |
| Project A | 100 | 130 | 128 | 22% | 280 |
| Project B | 80 | 91 | 90 | 11% | 150 |
| Project C | 45 | 50 | 80 | 44% | 320 |
| Project D | 35 | 55 | 80 | 56% | 90 |
| <i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i> | | | | | T3.8.6 |

This is not the competency of the district municipality

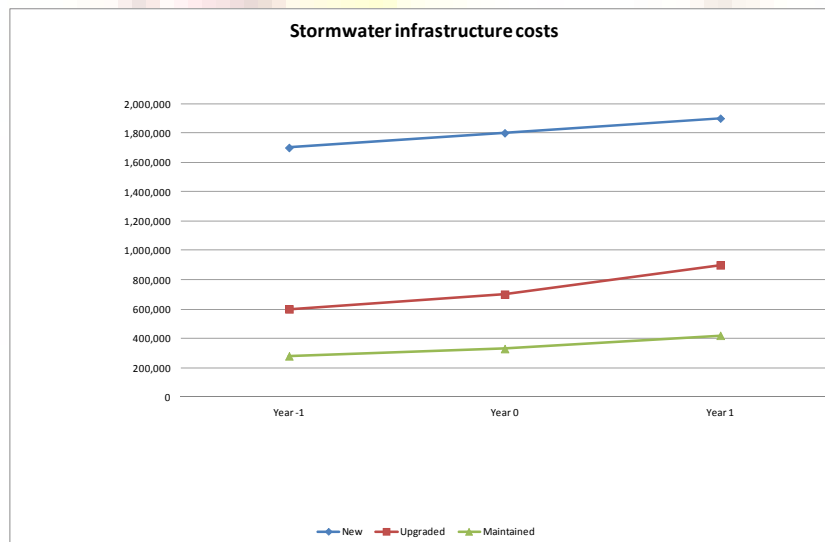
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3.9 WASTE WATER (STORMWATER DRAINAGE)

This is the local municipality's competence

| Stormwater Infrastructure | | | | Kilometers |
|---------------------------|---------------------------|-------------------------|------------------------------|--------------------------------|
| | Total Stormwater measures | New stormwater measures | Stormwater measures upgraded | Stormwater measures maintained |
| Year -1 | 145 | 15 | 10 | 100 |
| Year 0 | 160 | 20 | 12 | 120 |
| Year 1 | 166 | 25 | 14 | 140 |
| | | | | T3.9.2 |

| Cost of Construction/Maintenance | | | | R' 000 |
|----------------------------------|---------------------|----------|------------|--------|
| | Stormwater Measures | | | |
| | New | Upgraded | Maintained | |
| Year -1 | 1,700,000 | 600,000 | 280,000 | |
| Year 0 | 1,800,000 | 700,000 | 330,000 | |
| Year 1 | 1,900,000 | 900,000 | 420,000 | |
| | | | | T3.9.3 |



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[illegible]

| Employees: Stormwater Services | | | | | |
|--------------------------------|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year 0 | Year 1 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 1 | 1 | 1 | 0 | 0% |
| 4 - 6 | 3 | 3 | 3 | 0.5 | 17% |
| 7 - 9 | 6 | 6 | 6 | 1.5 | 25% |
| 10 - 12 | 7 | 7 | 7 | 1 | 14% |
| 13 - 15 | 9 | 9 | 9 | 2.2 | 24% |
| 16 - 18 | 11 | 11 | 11 | 0.9 | 8% |
| 19 - 20 | 18 | 18 | 18 | 1 | 6% |
| Total | 55 | 55 | 55 | 7.1 | 13% |

Notes should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

**Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T3.9.6

| Financial Performance Year 1: Stormwater Services | | | | | | R'000 |
|--|--------|-----------------|-------------------|--------|--------------------|-------|
| Details | Year 0 | Year 1 | | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget | |
| Total Operational Revenue | 120 | 125 | 100 | 95 | -32% | |
| Expenditure: | | | | | | |
| Employees | 125 | 244 | 250 | 248 | 2% | |
| Repairs and Maintenance | 25 | 244 | 250 | 248 | 2% | |
| Other | 45 | 244 | 250 | 248 | 2% | |
| Total Operational Expenditure | 195 | 732 | 750 | 744 | 2% | |
| Net Operational Expenditure | 75 | 607 | 650 | 649 | 6% | |
| Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | | |

T3.9.7

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| Capital Expenditure Year 1: Stormwater Services | | | | | |
|---|--------|-------------------|--------------------|-------------------------------|---------------------|
| Capital Projects | Year 1 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 260 | 326 | 378 | 31% | |
| Project A | 100 | 130 | 128 | 22% | 280 |
| Project B | 80 | 91 | 90 | 11% | 150 |
| Project C | 45 | 50 | 80 | 44% | 320 |
| Project D | 35 | 55 | 80 | 56% | 90 |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). | | | | | T3.9.8 |

This is not the district municipality's competency.



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C: PLANNING AND DEVELOPMENT

Planning and Development Department deals with the following:

Promotion of Local Economic Development and Planning

Development Planning which includes Integrated Development Planning (IDP), Organisational Performance Management Systems (OPMS)

Spatial Planning and Land Use Management

Geographic Information Systems (GIS)

Land and Development Administration

Environmental Management

Town Planning related issues

3.10 PLANNING

A large proportion of the town planning work especially land-use management is the responsibility of the local municipality. However the district municipality is responsible for regional spatial planning through crafting of SDF, Co-ordinating regional planning, strategic planning and district wide spatial planning interventions.

SPATIAL PLANNING

In accordance with section 26 (e) of the Municipal Systems Act No.32 of 2000 Alfred Nzo District Municipality is currently in the process of reviewing its Spatial Development Framework. The review has been necessitated by the recent development project of the N2 wild coast route that is planned to traverse between Alfred Nzo District municipality, O.R Tambo and Amathole District municipality.

In keeping with the requirements of chapter four of the Municipal System Act, Act No. 32 of 2000, The district municipality has insured a transparent, inclusive and comprehensive approach towards the adoption of the SDF. The project steering committee of the subject document was made up of representatives from the district municipality, DPLGTA, RDLR, Traditional leaders, councillors, local municipalities and the professional consulting team responsible for assisting the district in crafting the document.

Alfred Nzo District municipality SDF is compiled in support of the long term strategic intent and a short to medium development program as outlined in the IDP. The following are the key spatial restructuring program for Alfred Nzo District Municipality:

Hierarchy of corridors

Hierarchy of Nodes

Settlement Clusters

LAND USE MANAGEMENT:

The District municipality is predominantly rural in nature with small urban centres within its Six towns i.e Mbizana, Mount Frere, Mount Ayliff, Matatiele, Ntabankulu and Cedarville. This means that only the towns mentioned above have town planning schemes thus proper land use management. It is still a challenge to manage land-use in rural areas as these areas are under the administration of the traditional leaders who use customary systems of land use and land allocation. The District municipality is responsible for regional development and the local are responsible for local development therefore the district municipality devises strategies to inform land use management but can't enforce land-use regulatory measures as that is the function of the local municipality's. The District municipality therefore does not deal directly with statutory planning but advises local municipalities on such application for land development as and when needed,

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nonetheless the district municipality is hopes to compile a broad land-use Management framework in preparation of the wall to wall development of schemes. Up to this end the District municipality will initiate a project of land use management guidelines for the whole district in the 2012-2013 financial year.

CAPACITY SUPPORT TO LM'S

The district municipality is committed to supporting local municipalities under the jurisdiction of the district area and as such, the district municipality has continuously provided technical, professional and financial assistance to its local municipalities. During the 2013-2014 financial year the district municipality had budgeted over 1 million rand which would be allocated to two municipalities in order for them to complete their spatial planning investigations, furthermore the district municipality has collaboratively worked with Mbizana and Ntabankulu local municipality to complete nodal development frameworks for the respective LM'S to this end the district municipality has established a planners forum for collaborative working in all spatial planning matters of all LM'S under the district ministerial area..

GEOGRAPHIC INFORMATION SYSTEMS (GIS)

The district has established a GIS unit that is responsible for capturing, managing, maintaining and disseminating all the geographic information for the District. GIS is a vital information technology tool that is needed to support a number of critical legislated municipal functions at both District and Local Municipality level. It is an essential information system to support the ANDM Integrated Development Plan, the Spatial Development Plan, the Fixed Asset Register, and Municipal Valuation Roles. It is also essential to support accurate and complete reading of water meters and the billing for water services.

In line with the Municipal Systems Act (No. 32 of 2000), the Municipal Structures Act (No 117 of 1998), the Spatial Data Infrastructure Act (No. 54 of 2003) and the Promotion of Access to Information Act (No. 2 of 2000) the following are amongst other programs undertaken by the district to coordinate the management of spatial information and provide GIS support to the local municipalities:

- ✚ GIS Strategy & Policy
- ✚ GIS Shared Services
- ✚ GIS Data Maintenance

MAJOR CHALLENGES

The key challenge for the district in terms of spatial planning is land tenure; most of the land is either under a claim, communal ownership or under the custody of the house of traditional leaders. Secondly another challenge to spatial planning is dispersed housing settlements which makes it either too costly to provide basic services or virtually impossible. The district SDF has proposed the development of settlement plans throughout the district area as a remedial action to the current spatial planning challenges.

This is not the function of the District municipality.

| Applications for Land Use Development | | | | | | |
|---------------------------------------|----------------------------|--------|----------|--------|-------------------|---------|
| Detail | Formalisation of Townships | | Rezoning | | Built Environment | |
| | Year 0 | Year 1 | Year 0 | Year 1 | Year 0 | Year 1 |
| Planning application received | | | | | | |
| Determination made in year of receipt | | | | | | |
| Determination made in following year | | | | | | |
| Applications withdrawn | | | | | | |
| Applications outstanding at year end | | | | | | |
| | | | | | | T3.10.2 |

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[illegible]

| Employees: Planning Services | | | | | | |
|--|-----------|--------|-----------|----------------------------------|-----------------------------------|-------------------|
| Job Level | Year -1 | Year 0 | | | | COMMENT |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) | |
| | No. | No. | No. | No. | % | |
| 0 - 3 | 3 | 3 | 3 | 0 | 0% | |
| 4 - 6 | 2 | 6 | 5 | 1 | 17% | |
| 7 - 9 | 0 | 2 | 0 | 2 | 100% | |
| 10 - 12 | 0 | 2 | 0 | 0 | 0% | NOT ON ORGANOGRAM |
| 13 - 15 | 0 | 0 | 0 | 0 | 0% | NOT ON ORGANOGRAM |
| 16 - 18 | 0 | 0 | 0 | 0 | 0% | NOT ON ORGANOGRAM |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% | NOT ON ORGANOGRAM |
| Total | 5 | 13 | 8 | 3 | 23% | |
| <p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p style="text-align: right;"><i>T</i></p> <p><i>3.10.4</i></p> | | | | | | |

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| Financial Performance Year 0: Planning Services | | | | | |
|--|---------|-----------------|-------------------|----------|--------------------|
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | | | | | |
| Expenditure: | | | | | |
| Employees | | 5667266 | 6221293 | 3788136 | -50% |
| Repairs and Maintenance | | 1000000 | 1000000 | 805314 | -24% |
| Other | | 15966000 | 15966000 | 10156498 | -57% |
| Total Operational Expenditure | | 22633266 | 23187293 | 14749948 | -53% |
| Net Operational Expenditure | | 22633266 | 23187293 | 14749948 | -53% |
| <i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i> | | | | | T 3.10.5 |

| Capital Expenditure Year 0: Planning Services | | | | | |
|---|------------|-------------------|--------------------|-------------------------------|---------------------|
| Capital Projects | Year 0 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 400000 | 400000 | 0 | 0% | |
| GIS UPGRADE | 400 000.00 | 400 000.00 | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| <i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i> | | | | | T 3.10.6 |

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3.11 LOCAL ECONOMIC DEVELOPMENT

3.11.1. ANDM LED STRATEGY

ANDM IDP identifies, inter alia, Local Economic Development as one of the key performance areas and a strategic intervention for promoting socio-economic development, alleviating poverty and improving the quality of life. LED aims to induce economic development and growth in a locality with the objective of creating jobs and improving the quality of life by realizing a locality's full comparative advantage.

The ANDM LED Strategy was adopted in 2012, as informed by the municipal IDP. The strategy serves as a guiding document for the implementation of District LED initiatives – providing a general overview of District economic drivers. The document identifies the key sectors within the Alfred Nzo District to be Government Services, Agriculture, the Trade and Commercial Sector as well as Tourism.

The majority of projects within the District are concentrated in the Business support and Enterprise development sector (28%); Agricultural sector (25%) and Infrastructure projects (22%).

With regard to the contribution being made to the local economy in facilitating job creation through LED services (in year 1):

The District LED Strategy identifies programmes and initiatives that are designed to facilitate job creation through LED, which include:

Mobilisation and Optimal Use of available Resources for LED;

Infrastructure Development;

LED Governance and Regulation;

Strategic Support to Key Economic Sectors; and

SMME Development & support.

3.11.2. TOP 3 SERVICE DELIVERY PRIORITIES:

As per the ANDM LED Strategy, the Agricultural Sector is showing that the sector's contribution to the district economy is not in line with its contribution to employment – the sector creates employment, but has low levels of productivity.

ANDM has previously participated in a study conducted by Cacadu District, researching the potential for the production of maize in the Eastern Cape. The study indicated that the animal feed industry in the Eastern Cape is mostly dependant on grain imported from other production areas, although the Eastern Cape has areas that are suitable for maize production (with Alfred Nzo indicating high potential for maize production). The District has since invested in a masterplan to guide the development of the grain production industry. Therefore, **the first service delivery priority** for LED is:

To increase the level of production within the Agricultural sector, in order to increase food security, sell the production surplus, where the intended outcome is to reduce high levels of unemployment and increasing district economic growth and development.

SMME Development and Support has been identified by the District LED Strategy as having potential to create employment opportunities and facilitate job creation. ANDM has thus embarked on the development of an SMME Strategy; to provide a guide in terms of the various types of programmes that may be implemented in order to stimulate economic growth within the SMME sector of the district.

The SMME sector is faced with a number of challenges that relate to an under-developed SMME sector; which is not able to significantly and positively contribute to economic growth and development and the creation of sustainable jobs for the residents of the district.

The second service delivery priority for LED is:

*To implement programmes that **build the capacity of SMMEs** in the District; to have an SMME sector that takes the lead in the provision of decent and sustainable employment – thus stimulating the District's economic growth and development.*

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The Tourism Sector within ANDM is characterised by fragmented tourism activities that are boundary specific to local municipalities within the District. Even though the District is strategically positioned with a Coast-side and Mountainous inlands, there remains a lot of potential to explore the area and develop the Tourism sector.

The District has embarked on the development of a Tourism Sector Plan, as a way to create a framework for implementing a collection of initiatives or programmes under one umbrella to grow regional development and assist in economic development of the region through tourism.

The **third service delivery priority for LED** is:

the development of the District Tourism sector through the provision of infrastructure for a sustainable Tourism Industry that will in turn contribute to the District's economy.

Measures taken to improve performance and the major efficiencies achieved by your service during the year:

1. ANDM GRAIN PRODUCTION MASTERPLAN - IMPLEMENTATION

In response to the gaps identified in the Agricultural sector in the region; and in response to the high potential identified in ANDM for the production of maize, the District has embarked on the implementation of the Grain Production Masterplan implementation process. The document serves as the masterplan for the development of the grain industry in the District. It is an investment attraction tool, giving a comprehensive report on the areas with high yield potential, and also gives recommendations as to how the value-chain can be exploited; from production to markets. Since the development of the Master Plan, implementation has been underway in the Mbizana Local Municipality through the implementation of the Red Hub Programme, led by the Eastern Cape Rural Development Agency working together with Mbizana Local Municipality, Alfred Nzo District Municipality and the Department of Rural Development and Agrarian Reform. Furthermore a similar implementation process guided by the Master Plan is under implementation in the Matatiele Local Municipality, through the financial aid of the Masisizane Fund. Both these programmes can be viewed as catalysts to the overall development of an industry and value-chain in the agro-processing industry.

2. GRAIN PRODUCTION

The Grain Production Programme is in response to the Grain Production Masterplan however on a small elementary scale, based on the level of development of the District's subsistence farmers. The long term plan is to convert these farmers into, small holder and commercial farmers able to realise the full objectives of the ANDM Master Plan. The overall objective of the programme is to increase the level of production and development within the agricultural sector, in order to increase food security and sell the production surplus and eventually create a fully-fledged industry.

In the current period, ANDM identified (120) hectares of land for crop production. Communities provide the land and labour to the initiative, to ensure that assistance is provided to them for a limited amount of time; enough to ensure that there is a level of skills transfer. The grain produced in this programme is mainly for subsistence farming purpose, where a surplus is sold to the market.

3. POVERTY ALLEVIATION PROGRAMME

ANDM has embarked on a Poverty Alleviation Programme, designed to intervene at a socio-economic level by providing small scale support to emerging projects and cooperatives/SMMEs which demonstrate potential to grow into better and more established business entities.

The District set aside financial resources in order to finance the needs of each project or cooperatives which have formally communicated required support for their respective project venture. This is an intervention that forms part of the foundation for the further development and mentorship of projects and SMMEs that will translate into sustainable business ventures; thus creating employment and reducing the District's poverty levels. 17 initiatives were supported through this programme.

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| Economic Activity by Sector | | | |
|-------------------------------------|---------|--------|--------|
| R '000 | | | |
| Sector | Year -1 | Year 0 | Year 1 |
| Agric, forestry and fishing | 2 | 1.5 | 1.5 |
| Mining and quarrying | 6 | 5 | 2 |
| Manufacturing | 56 | 58 | 63 |
| Wholesale and retail trade | 45 | 51 | 52 |
| Finance, property, etc. | 51 | 48 | 52 |
| Govt, community and social services | 23 | 25 | 25 |
| Infrastructure services | 34 | 38 | 41 |
| Total | 217 | 226.5 | 236.5 |
| T3.11.2 | | | |

| Economic Employment by Sector | | | |
|-------------------------------------|-----------------------|------------------------|-----------------------|
| Sector | Jobs | | |
| | Year 1 No. (14/15) | Year -1 No. (12/13) | Year 0 No. (13/14) |
| Agric, forestry and fishing | 43 223 | 32 418 | 38 465 |
| Mining and quarrying | 10 806 | 8 104 | 9 616 |
| Manufacturing | 36 019 | 27 015 | 32 054 |
| Wholesale and retail trade | 54 029 | 40 522 | 48 081 |
| Finance, property, etc. | 25 214 | 16 209 | 22 438 |
| Govt, community and social services | 97 252 | 75 641 | 89 751 |
| Infrastructure services | 25 214 | 18 910 | 19 232 |
| Other/Unspecified | 68 437 | 51 328 | 60 902 |
| Total | 360 194 | 270 147 | 320 538 |
| T 3.11.3 | | | |

Year 0
ANDM TOTAL POPULATION = 801 344
ANDM EAP = 40% of total population

EAP = 320 538

Year -1
ANDM TOTAL POPULATION = 900 491
ANDM EAP = 30% of total population
EAP = 270 147

Year 1
ANDM TOTAL POPULATION = 900 486
ANDM EAP = 40% of total population
EAP = 360 194

LOCAL JOB OPPORTUNITIES:

The Alfred Nzo District is characterised by low levels of employment and a high percentage of people who are not economically active. This in turn accounts for the high poverty levels and low income levels.

With regards to the District's Gross Value Add (GVA) related to employment opportunities by sector:

Government Services are the largest contributor to the ANDM Employment Sector; showing that that District's economy is heavily reliant on this sector. It contributes approximately 28% of the Gross Value Adding (GVA) in the District.

Other sectors that play a noticeable contribution to the District's GVA include the Wholesale/Retail sector at 15%, Agriculture, Forestry and Fishing at 12% and the Manufacturing sector at 10% of total GVA.

Manufacturing Sector Expansion Potential

Agriculture (Grain Masterplan)

Forestry Expansion (27 000 ha to be developed)

| Jobs Created during Year 1 by LED Initiatives (Excluding EPWP projects) | | | | |
|---|--------------|--|--------------------------------|--|
| Total Jobs created / Top 3 initiatives | Jobs created | Jobs lost/displaced by other initiatives | Net total jobs created in year | Method of validating jobs created/lost |
| | No. | No. | No. | |
| Total (all initiatives) | | | | |
| Year -1 | | | | |
| Year 0 | | | | |
| Year 1 | | | | |
| Initiative A (Year 1) | | | | |
| Initiative B (Year 1) | | | | |
| Initiative C (Year 1) | | | | |
| T3.11.5 | | | | |

(We do not have a tool that we use to measure jobs created through led initiatives at the moment)

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| Job creation through EPWP* projects | | |
|-------------------------------------|----------------------|--|
| Details | EPWP Projects No. | Jobs created through EPWP projects No. |
| Year -1 | 40 | 2,000 |
| Year 0 | 50 | 2,900 |
| Year 1 | 66 | 4,500 |
| * - Extended Public Works Programme | | T3.11.6 |

[illegible]

| Employees: Local Economic Development Services | | | | | |
|--|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year -1 | Year 0 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 3 | 3 | 3 | 0 | 0% |
| 4 - 6 | 0 | 4 | 3 | 1 | 25% |
| 7 - 9 | 0 | 0 | 0 | 0 | NOT ORGARNOGRAM |
| 10 - 12 | 0 | 0 | 0 | 0 | NOT ORGARNOGRAM |
| 13 - 15 | 0 | 0 | 0 | 0 | NOT ORGARNOGRAM |
| 16 - 18 | 0 | 0 | 0 | 0 | NOT ORGARNOGRAM |
| 19 - 20 | 0 | 0 | 0 | 0 | NOT ORGARNOGRAM |
| Total | 3 | 7 | 6 | 1 | 14% |

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

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CHAPTER 5 – FINANCIAL PERFORMANCE

Financial Performance Year 0: Local Economic Development Services

R'000

| Details | Year -1 | Year 0 | | | |
|-------------------------------|---------------|-----------------|-------------------|-----------------|--------------------|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | 120.00 | 125.00 | 100.00 | 95.00 | -32% |
| Expenditure: | | | | | |
| Employees | 604 126.32 | 1 589 595.85 | 1 481 662.29 | 1 428 737.79 | -11% |
| Repairs and Maintenance | 25.00 | 244.00 | 250.00 | 248.00 | 2% |
| Other | 45.00 | 244.00 | 250.00 | 248.00 | 2% |
| Total Operational Expenditure | 604 196.32 | 1 590 083.85 | 1 482 162.29 | 1 429 233.79 | -11% |
| Net Operational Expenditure | 604 076.32 | 1 589 958.85 | 1 482 062.29 | 1 429 138.79 | -11% |

| Capital Expenditure Year 1: Economic Development Services | | | | | |
|---|--------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000 | | | | | |
| Capital Projects | Year 1 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 260 | 326 | 378 | 31% | |
| Project A | 100 | 130 | 128 | 22% | 280 |
| Project B | 80 | 91 | 90 | 11% | 150 |
| Project C | 45 | 50 | 80 | 44% | 320 |
| Project D | 35 | 55 | 80 | 56% | 90 |
| Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate). | | | | | T3.11.10 |

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D: COMMUNITY & SOCIAL SERVICES

3.12. CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Special Programmes Unit (SPU) is located in the office of the Executive Mayor and is responsible for mainstreaming and advocating for previously disadvantaged groups, i.e. child care, youth, gender, older persons, people with disability and HIV & AIDS. Special Programmes coordinates and implement municipal programmes related to the vulnerable groups. The unit advises the municipality in policy development and other strategic documents and programmes to favour the above mentioned groups.

During the year under review the municipality has conducted a series of programmes targeted at the above mentioned special groups. The SPU has developed Children, Older Persons, Gender, Youth, Disability and HIV & AIDS policies respectively and they were adopted by the Council.

- *Community empowerment programme*

The community empowerment programme was not achieved as per the set target due to relocation of the programme to another directorate within the institution.

- *Child Care*

Five hundred (500) Orphans and vulnerable children were supported with school uniforms.

Four (4) pre-school were supported with pre-school material

Early parenting dialogue and Where are u father Campaign were conducted

- *Aged Care*

Six older person projects were supported

Conducted active ageing programs and golden games

- *HIV and Aids*

Eight (8) Support groups and Eight (8) Community Based Organisation were trained and supported with Home based care kit and Gardening inputs.

HIV and Aids strategy was reviewed

Conducted a summit of people living with HIV and Aids

Conducted twelve (12) HIV and Aids awareness campaign

- *Youth*

Conducted a seminar on youth economic opportunities

Conducted a summit on National Youth Policy in partnership with the Presidency (Vision 20 20)

Launched Young Women's Network and trained the structure

Conducted twenty (20) alcohol and substance abuse awareness campaign.

Examination roadshows and student assistance program

District Career Guidance Seminar

- *Gender*

Hosted a provincial event on six days of activism

Conducted gender violence awareness campaigns

Early parenting dialogue

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- Disability

Reviewed disability forum and workshop

Disability awareness campaigns

Participated on national disability awards in partnership with Vallahala

Support forty (40) disability communities with 40 wheel chairs in partnership with Coega Development Agency

3.12.1. SERVICE STATISTICS FOR CHILD CARE

| Child Care; Aged Care; Social Programmes Policy Objectives Taken From IDP | | | | | | | | | |
|---|---|-------------------------|-------------|-----------------------|-----------------------|-------------|-------------------------|-----------------------|------------------------|
| Service Objectives <i>Service Indicators</i> (i) | Outline Service Targets (ii) | Year -1 | | Year 0 | | | Year 1 | Year 3 | |
| | | Target | Actual | Target | Actual | Actual | | Target | |
| | | *Previous Year (iii) | (iv) | *Previous Year (v) | *Current Year (vi) | (vii) | *Current Year (viii) | *Current Year (ix) | *Following Year (x) |
| Service Objective xxx | | | | | | | | | |
| Older Person's Care and Support | To coordinate and facilitate the integration and mainstreaming of Older Persons programmes to keep societal norms and values and to maintain their respect and dignity | 8 Achieved | 08 Achieved | 8 Achieved | 8 Achieved | 8 Achieved | 8 Achieved | 8 Achieved | |
| Coordination of District Childrens' development programmes, care and support | To facilitate the creation of an environment that will be conducive for growth and development of children by coordinating government departments and civil society with the district | 08 Achieved | 08 Achieved | 08 Achieved | 08 Achieved | 08 Achieved | 08 Achieved | 08 Achieved | |
| District Gender Programmes Coordination care and support | To create an environment that is free of barriers, prejudice and stereotypes in order to maximize access of people with disabilities to basic services | 09 Achieved | 09 Achieved | 09 Achieved | 09 Achieved | 09 Achieved | 09 Achieved | 09 Achieved | |
| Youth Development programmes and implementation | To identify skills, coordinate youth empowerment for economic growth and development expand, encourage youth through training and education in collaboration with other stakeholders | 08 Achieved | 08 Achieved | 08 Achieved | 08 Achieved | 08 Achieved | 08 Achieved | 08 Achieved | |
| HIV and AIDS Coordination Care and Support programmes | To support functioning of all HIV and AIDS council structures through coordination of programmes | 03 Achieved | 03 Achieved | 03 Achieved | 03 Achieved | 03 Achieved | 03 Achieved | 03 Achieved | |
| HIV and AIDS Awareness Programmes | To sensitize communities about HIV and AIDS epidemic and its impact in the socio economic development of the individual, families and community at large | 03 Achieved | 03 Achieved | 03 Achieved | 03 Achieved | 03 Achieved | 03 Achieved | 03 Achieved | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| <i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round. * 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i> | | | | | | | | | |

T 3.14.3

Employees: Child Care; Aged Care; Social Programmes

| Job Level | Year -1 | Year 0 | | | |
|-----------|-----------|--------|-----------|----------------------------------|-----------------------------------|
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 1 | 1 | 1 | 0 | 0% |
| 4 - 6 | 5 | 6 | 5 | 1 | 17% |
| 7 - 9 | 1 | 1 | 1 | 0 | 0% |
| 10 - 12 | 0 | 0 | 0 | 0 | 0% |
| 13 - 15 | 0 | 0 | 0 | 0 | 0% |
| 16 - 18 | 0 | 0 | 0 | 0 | 0% |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% |
| Total | 7 | 8 | 7 | 1 | 13% |

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| Financial Performance Year 0: Child Care; Aged Care; Social Programmes | | | | | |
|--|--------------|-----------------|-------------------|--------------|--------------------|
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | 120.00 | 125.00 | 100.00 | 95.00 | -32% |
| Expenditure: | | | | | |
| Employees | 2 836 729.48 | 2 740 582.73 | 2 566 329.19 | 2 419 750.81 | -13% |
| Repairs and Maintenance | 25.00 | 244.00 | 250.00 | 248.00 | 2% |
| Other | 45.00 | 244.00 | 250.00 | 248.00 | 2% |
| Total Operational Expenditure | 2 836 799.48 | 2 741 070.73 | 2 566 829.19 | 2 420 246.81 | -13% |
| Net Operational Expenditure | 2 836 679.48 | 2 740 945.73 | 2 566 729.19 | 2 420 151.81 | -13% |
| <i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i> | | | | | T 3.14.5 |

| Capital Expenditure Year 1: Child Care; Aged Care; Social Programmes | | | | | |
|---|--------|-------------------|--------------------|-------------------------------|---------------------|
| Capital Projects | Year 1 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 260 | 326 | 378 | 31% | |
| Project A | 100 | 130 | 128 | 22% | 280 |
| Project B | 80 | 91 | 90 | 11% | 150 |
| Project C | 45 | 50 | 80 | 44% | 320 |
| Project D | 35 | 55 | 80 | 56% | 90 |
| <i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i> | | | | | T3.56.6 |

Special Programmes Unit is a located in the office of the Executive Mayor and is responsible for mainstreaming and advocating for previously disadvantaged groups, i.e. child care, youth, gender, older persons, people with disability and HIV & Aids. Special Programmes coordinates and implement municipal programmes related to the vulnerable groups. The unit advise the municipality in policy development and other strategic documents and programmes to favour the above mentioned groups.

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An Environmental Management Framework (EMF) can be defined as a study of the biophysical and socio-cultural systems of a geographically defined area to reveal where specific land uses may be best practiced and to offer performance standards for maintaining appropriate use of such land. It serves as a blueprint that will guide government's strategic and spatial planning, to ensure that sustainability is attained and resources optimised. An EMF also serves as a guide to ensure that there is compatibility between plans and the state of the environment to allow for the integration of environmental management measures into the plans. An EMF is part of a suite of Integrated Environmental Management (IEM) tools that can be used to support informed decisions regarding the management of the impacts on the environment that can arise out of human activities and development. An EMF also functions as a support mechanism in the Environmental Impact Assessment (EIA) process in the evaluation and review of the development applications as well as informs decision making regarding land-use planning application.

3.13. POLLUTION CONTROL

Climate Change vulnerability assessment-the assessment was completed and vulnerability maps were completed.

with climate change vulnerability assessment, a climate change committee was established and this committee ensured that a climate change summit is hosted where different stakeholders were invited to participate in incorporating the climate change issues into the planning of the municipalities within Alfred Nzo District Municipality.

The seating of climate change committee meetings continued every quarter and learning exchange programs were identified and initiated. Currently ANDM climate change committee has established a partnership with OR Tambo District Municipality.

During 2014/15 financial year, a climate change response strategy was developed but not completed due to delays in the appointment of service providers. This strategy outlines exactly what impacts will be caused by climate change and how best can municipalities respond to these impacts.

Integrated Waste Management Plan- this plan has been completed and will be implemented starting from July 2015 onwards.

Water Safety Plan-this plan was completed and adopted by council. The plan assists in ensuring that the municipality provide clean drinking water to its communities.

Project Steering committees were established to ensure that these projects are a success and are addressing the pollution problems that are facing Alfred Nzo District Municipality.

With integrated waste management plan, an awareness was done to stakeholders on how to manage waste. This led to schools taking an initiative in managing waste as such there were request from certain schools for supply of waste receptacles but only one school benefited from this because the municipality did not have enough budget to assist the schools.

N/a- air quality function was delegated to DEDEA and therefore the statistics can be sourced from DEDEA

There were four capital projects that were planned for ANDM pollution control but only one capital project was implemented and that was Mt Frere Waste Buyback Center. The other three capital projects were Matatiele Waste Buyback Center, Ntabankulu Waste Buyback Center and Mbizana Waste Buyback Center were not implemented due to limited financial resources even the Mt Frere Waste Buyback Center was funded by the municipality of Ostersund in Sweden through a partnership that Alfred Nzo District Municipality had with it.

3.14. BIO-DIVERSITY & LANDSCAPE

This is the competency of the Local Municipalities, the district only assist in facilitating funds for the implementation of projects relating to this component.

1. SOURCE FUNDING FOR MATATIELE LOCAL MUNICIPALITY:

source funding for Matatiele Nature Reserve and Ecotourism Gateway Complex. This application was successful and the project is already under implementation. Department of Environmental Affairs funded the project with R7000 000.00.

PAC has been established comprising of ward councillors, community members, Matatiele LM officials, ANDM officials, DEA officials and appointed service provider for this project

Ward councillors are currently busy identifying project beneficiaries/employees

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2.SOURCE FUNDING FOR UMZIMVUBU LOCAL MUNICIPALITY:

Source funding for Umzimvubu street cleaning and beautification. The application to Department of Environmental Affairs for this project was successful and the project was funded with R15 174 184.00

Project is at its implementation phase and no challenges are incurred to date

3.SOURCE FUNDING MBIZANA LOCAL MUNICIPALITY-

Source funding for establishment of Mthamvuna Nature Reserve. The application to Department of Environmental Affairs for this project was successful and the project was funded with R10 000 000.00

Project is at its implementation phase and service provider appointed is working well with the communities around the proposed nature reserve.

These projects are assisting the communities residing in these Local Municipalities in securing job opportunities and being able to earn a living. The project conditions are that they should be implemented using the EPWP.

F: MUNICIPAL HEALTH SERVICES

Note: Recent legislation includes the National Health Act 2003.

As per the National Health Act 61 of 2003, the Municipal Health Services are a responsibility of the district municipalities and metropolitan municipalities.

This then assisted the ANDM to incur and take over this function from the national and provincial governments. It is on this basis that even the National Treasury is funding the district municipalities to carry out this function through the ES under Community Services.

The organogram of ANDM is taking care of the function, although there should be improvement and compliance based on the World Health Organisation's norms and standards that each EHP should service 10,000 population (1:10,000).

In 2013/14 we were at 1: 44,555 then 14/15 ratio has increased to 1: 50,125. It needs to be noted that we are not improving and instead we are dropping the standards of compliance, and this could adversely affect the municipality performance and compliance (leading to the service being recalled by National Dept of Health here in ANDM only)

3.15. MUNICIPAL HEALTH SERVICES KPAS

WORLD ENVIRONMENTAL HEALTH DAY COMMEMORATION

The international theme by World Health Organisation (WHO) for 2014 was "Addressing Environmental Health Inequalities". South Africa is adopting "Placing Environmental Health at the heart of human health" as a slogan for years to come in ensuring that prevention is key to healthier lives and better health.

ANDM was an active part in the commemoration of WEHD in 2014, and as such the Manager: MHS of this district was facilitating the some parts of the deliberations and presentations of the national event.

As part of these celebrations/ commemoration, National Dept of Health also has an Alfred Nzo Environmental Health Award (which gets to be awarded to the best EHP/s that have made a vast difference in the implementation of environmental health services in their respective areas of operation.

ANDM was also part of receiving the award (which was collected by CDS Portfolio Head (Cllr VNS Mdingazwe), and Head of Department (Mrs DN Ngxenge). The receiving EHP was Ms Thulisile Ngcongco and team.

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SUPPORT VISIT TO ANDM BY SOUTH AFRICAN INSTITUTE OF ENVIRONMENTAL HEALTH PRESIDENCY

We, as ANDM MHS Management (under the umbrella leadership of CDS MMC and HoD) welcomed the President and his entourage in the district. The main areas of focus were our strengths of having a leadership that is always readily available to delegate its authority when the need arises, of always willing to support and assist whenever it is necessary.

The ANRIEH was launched in 2012 and has slowly but surely assisted in the operations of the MHS and EHS in the district

The good co-operative governance that we portray in this district is marvelous and also it needs to be noted that it does work for us as government departments respond well when co-ordinated by us, the examples are Social Development (on the issue of ECDCs), ECDoH on the issue of forensic pathological services, the list is endless.

That shows then that we do adhere to the slogans of the President of the country that says 'working together we can do more' - 'together we move South Africa forward'.

The SAIEH President was very instrumental in showing that there is no way we can take the profession forward if we do not work as a team, if we do not properly render the service as it is stipulated in the Scope of Profession that was designed by SAIEH and signed off by the Minister of Health as an authentic and legal document that could be used by all South African employers (DMs and Metros rendering MHS, DoH rendering Port Health Services and hazardous substances).

Very recently SALGA has requested him to craft MHS by-laws that are going to be used across the board by all DMs and Metros. He shared with us that the document is to be presented to SALGA MHSMF to be held sometime in May 2015. This will then be circulated for our inputs, as stakeholders of interest, etc, finalized and then given to DMs and MMs for implementation.

He again shared with us that the Minister of Health (Dr Aaron Motsoaledi) has requested him to co-ordinate all queries and dissatisfaction (with evidence where possible) related to mal-administration that is experienced by EHPs when dealing with Health Professions Council of South Africa (HPCSA). This was to assist the Minister to properly investigate and re-structure the council administration accordingly so that it could assist him and government in attaining a seamless administration.

SAIEH, SALGA, NDoH and municipalities have to work together and very hard to achieve the proper implementation of MHS at the WHO standards.

IN HOUSE CAPACITY BUILDING DONE BY EHPs TO EHPs ON MAJOR AREAS OF CONCERN IN OPERATIONS

SAIEH and HPCSA (Professional Board for Environmental Health) advised that it would be to our professional growth advantage if we as ANDM would apply for a training status to HPCSA. It would assist us to spend less in the CPD and CEU requirements by HPCSA.

This we did, but did not 100% succeed. Nevertheless, we continued with the training of EHPs by EHPs internally, and this was very motivational for us in a big way. This is shown by the completion of the programme as is to follow:

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| Topic to train on | Presenter/ Trainer (Name and place of operation) | Date, time and venue for training |
|---|--|---|
| 1. Hazardous substances vs Chemical Safety | Miss B Mhlongo ECDoH Bisho | 26 July 2014 Total hours – 2 hours Mt Ayliff (DMC) |
| 2. Financial Management and Environmental Health | Ms CT Manciya Manager: MHS Mt Ayliff | 08 October 2014 Total hours – 3 hours Mt Ayliff (Conference Centre) |
| 3. Researchable topics in Environmental Health | Mrs B Nokwe CEHP Mt Frere | 08 October 2014 Mt Ayliff (Conference Centre) |
| 4. How could you fit in MHS into the Strategic Processes of the District Municipality | Miss S Ntshengulana CEHP Ntabankulu | 06 November 2014 3 hours Mt Ayliff (Disaster Management Centre) |

| | | |
|--|-------------------------------------|--|
| 5. Children's Environmental Health: Sanitation, Nutrition, Food Safety, Toxins | Miss N Manciya CEHP Mt Ayliff | 06 November 2014 3hours Mt Ayliff (DMC) |
| 6. Disaster Management and Environmental Health | Mrs B Mpinda CEHP Mbizana | 06 November 2014 3hours Mt Ayliff (DMC) |
| 7. Safe ways of dealing with Health Care Risk Waste from cradle to grave | Miss A Dlongwe EHP Mt Ayliff | 21 November 2014 3 hours Matatiele (DMC) |
| 8. National Environmental Health Policy | Mr M Mahahasi CEHP Matatiele | 21 November 2014 3 hours Matatiele (DMC) |
| 9. Milk quality control vs safe consumption of milk | Miss N Kaka EHP Matatiele | 21 November 2014 3 hours Matatiele DMC |
| 10. Effects of Handling Or Staying in houses roofed with Asbestos | NG Beba EHP Mt Frere | 21 November 2014 (3 hours) Matatiele DMC |
| 11. Water, Sanitation & Health (Interlink the 3) | N Mamba-Dlamini EHP Matatiele | 21 November 2014 3 hours Matatiele DMC |
| 12. Meat Safety in Butcherries | Miss T Mancini EHP Matatiele | 12 December 2014 3 hours Mt Ayliff ESC |
| 13. Effects of consuming peanut butter with high levels of aflatoxin | Mr B Alveni EHP Ntabankulu | 12 December 2014 3 hours Ntabankulu DMC |
| 14. Role of MHS in Solid waste management | Mrs PK Wakashe-Moloi | 16 January 2015 |

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| | | |
|--|---|--|
| | EHP Mbizana | 3 hours Mbizana Cultural Village |
| 15. Proper ways of disposing contaminated, used disposable nappies | N. Nelani-Balasane EHP Mt Ayliff | 16 January 2015 3 hours Mbizana Cultural Village |
| 16. Role of Environmental Health in Rabies | Miss PP Mbanyana-Langa EHP Mt Frere | 16 January 2015 3 hours Mbizana Cultural Village |
| 17. Water quality monitoring | T Ngcongco-Mtshengu EHP Matatiele | 10 February 2015 3 hours Mt Frere DMC |
| 18. Effects of Drinking Water from Drums Previously storing Chemicals | A Gila EHP Mbizana | 10 February 2015 3 hours Mt Frere DMC |
| 19. Effects of roofing material on water quality | NS Dlakavu CEHP Mbizana | |
| 20. Ethics in Environmental Health Phase 2 | CT Manciya Manager: MHS Mt Ayliff | 10 February 2015 1 hour Mt Frere |
| 21. Effects of handling toys contaminated with lead | PAM Ngejane EHP Ntabankulu | 10 March 2015 3 hours Mt Ayliff DMC |
| 22. Impacts of vectors to human health | N Mguzumbane EHP Ntabankulu | 10 March 2015 3 hours Mt Ayliff DMC |
| 23. Linkage between health surveillance of premises and food safety | AA Gwiji EHP Matatiele | 16 April 2015 3 hours Ntabankulu DMC |
| 24. Environmental Health Impact Assessment link with regulations | T Seleso EHP Matatiele | 16 April 2015 3 hours Ntabankulu DMC |
| 25. Association of biomass with respiratory problems to women aged 40-60 years | M Mkhalele (Ass. Director: Environmental Health) Dept of Health | 16 April 2015 3 hours Ntabankulu DMC |

FOOD SAFETY AND CONTROL

Good governance: food safety and awareness programmes, and since the function is new to district municipalities, this assisted them in understanding and accounting for the function that has no been their responsibility

Samples are taken for both bacteriological and chemical analysis. Food swabs are also taken to ascertain the level of environmental hygiene in food handlers (at schools, and food handling outlets).

Awarenesses in schools around food preparation and storage is also done. This takes care of educators who are co-ordinators of school nutrition programme (SNP) and food handlers

Evaluations and meat safety awarenesses are done in butcheries, specifically to look at the adulteration of meat which has been a cry in the country (especially from National Parliament).

Build up to World Health Day (theme: Food Safety) was conducted at Thabachicha (Matatiele). Surrounding DMs were also invited and they participated in giving us messages that relate to how they deal

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with food safety in their areas of operation. The municipalities were: OR Tambo District Municipality, Joe Gqabi DM, Ugu DM and Harry Gwala DM. The Eastern Cape Department of Health (Provincial Office in Bisho) was also part of us as the guest speaker of the day.

WATER QUALITY MONITORING

Ensuring that the water consumed by our communities is potable, and complies with SANS 0241, by taking and analysing water samples (on site and in the laboratory).

In clinics and hospitals water samples are taken on a monthly basis to ascertain compliance with core standards (as enacted in NHA 61 of 2003)

HEALTH SURVEILLANCE OF PREMISES

Evaluation/ inspection of businesses (rural & urban), all government premises as required by law, and there has been a remarkable change in the maintenance of government institutions (with specific reference to hospitals, clinics and schools). Even with the business world, a very remarkable improvement has been noticed.

Local Municipalities are in a way recognising the importance of involving MHS in Building Plans of which other LMs were not considering this as important for years.

Norms and Standards for Environmental Health are enforced, (Health Certificates are currently issued considering the specification in Norms and Standards)

ENVIRONMENTAL POLLUTION CONTROL (AIR QUALITY MONITORING)

ANDM is embarking on strategies to mitigate and adapt to effects of Climate Change, and out of this workshops and trainings are being held to put the EHPs on par with the advantages and disadvantages of adverse conditions of climate change and what are the deadly effects thereof. It also capacitates EHPs on the do's and don'ts for mitigation and prevention.

Further engaged on the IAQM where EHPs were trained for the 1st time on IAQM.

Community survey was once conducted to ascertain the levels of exposure of communities to biomass fuel from daily domestic activities the communities are practicing. Village of Sidanga was piloted as this area was using a lot of bio-mass. Awareness was made to this village specifically for IAQ.

Arrangements have been made with WSU to utilize their Laboratory for Indoor Air Pollutants sampling & analysis. The exercise will carry on even in 2015/16 Financial year.

Results will be used to improve the quality of lives of Alfred Nzo Citizens through limiting exposure to Indoor Air Pollutants.

DISPOSAL OF THE DEAD

Environmental health awareness on processes followed when conducting exhumation and interment of dead bodies.

Through intensive awarenesses, application for exhumations have increased, and this is also accompanied by compliance with health requirements as well.

Forensic Pathology Services (being government facilities) have been stuck with unclaimed corpses, but after the active intervention of EHPs, the tables have turned for the better now, as these mortuaries are starting to comply with minimum health requirements.

Private funeral parlours have started to comply with Regulation 363 National Health Act 61 (No 61 of 2003), and as a result they are encouraged to apply for CoCs.

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CHEMICAL SAFETY

Capacity building on hazardous substances has been done and this has also improved management on sale of organo-phosphate without authorisation.

Environmental health investigations and education on chemical poisoning (with specific reference to organo-phosphate)

Impacts of Lead in Toys: ANDM has identified the need to conduct awarenesses to ECDCs on Impacts of Lead in toys so as to make them aware of that not all toys are as good as they look, others may carry potential hazards such as lead and arsenic. Pilot study was done in St Monica's ECDC (Matatiele) where education was done to Educators and Parents.

Toys were to be taken for analysis to NMMU.

Awareness done to hawkers in paypoints on dangers of decanting and improper labeling

SURVEILLANCE & PREVENTION OF COMMUNICABLE DISEASES

Awareness on prevention of communicable diseases. This assisted in increase on notification of these communicable disease (especially animal bites) and the improvement on cases that have finalised their rabies treatment proves beyond reasonable doubt that our people are taking animal bites seriously now.

Investigation of communicable diseases (especially dog bites)

Emergency Preparedness Response awarenesses are conducted with IDMS to communities identified by MHS as high risk areas, through funds allocated under IDMS.

VECTOR CONTROL

Evaluation on businesses and government institutions relating to prevention of occurrence of vectors (and as a result we do not have a challenge of Alexandra rodents in ANDM and this is because our businesses are preventing the occurrence of vector harbourage.

3.15.1. SERVICE STATISTICS FOR MUNICIPAL HEALTH SERVICES

FOOD SAFETY AND CONTROL

266 food samples taken and analysed for bacteriological and chemical analysis, and 408 awarenesses covering the critical areas of the population

ENVIRONMENTAL HEALTH AWARENESS

409 awareness programmes conducted on: surveillance and prevention of communicable diseases, environmental pollution control (inclusive of air quality and climate change adaptation), chemical safety, vector control and disposal of the dead

HEALTH SURVEILLANCE OF PREMISES:

1045 businesses & government institutions inspected and reports are discussed with relevant authorities

WATER QUALITY MONITORING:

766 samples were taken and analysed. (Water samples were analysed at NHLS and onsite analysis was used. Awarenesses are conducted to areas (communities, government institutions and businesses) where analysed water samples are non-compliant.

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MHS Policy Objectives Taken From IDP

| Service Objectives | Outline Service Targets | 2013/14 | | 2014/15 | | | 2015/16 | 16/17 | |
|---|---|-------------------------------------|--|----------------|----------------|--|---------------|---------------|-----------------|
| | | Target | Actual | Target | | Actual | Target | | |
| Service Indicators | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| Ensure that a comprehensive municipal health service package is rendered throughout the district | | | | | | | | | |
| Water Quality Monitoring To reduce prevalence rate of water borne related illnesses through water quality monitoring | To monitor the quality of water supplied to the communities by ANDM through taking, analysis & reporting of water samples | 336 | 581 | 336 | 744 | 766 (NHLS & Onsite analysis) | | | |
| | Awareness campaigns conducted to areas that have been identified not to have potable water supplies | 100% of areas without potable water | 388 samples did not comply and immediate awareness was conducted | 100% | 408 | 409 | | | |
| Food Control & Safety - To monitor quality of food that reach ANDM consumers - To reduce rate of food borne disease outbreaks | Number of food safety awareness campaigns conducted Number of food samples taken, analyzed and communicated Certificate of Acceptability issued to qualifying food businesses | 408 769 70 | 423 40 (chemical analysis) 87 | 408 | 408 204 | 408 266 (Both chemical & bacteriological) 38 | | | |
| Health surveillance of premises To ensure that food and non-food businesses | Number of businesses, and govt institutions inspected | 900 | 1043 | 900 | 420 | 1045 | | | |

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| MHS Policy Objectives Taken From IDP | | | | | | | | | |
|---|---|----------------|--------|----------------|---------------|--------|---------------|---------------|-----------------|
| Service Objectives | Outline Service Targets | 2013/14 | | 2014/15 | | | 2015/16 | 16/17 | |
| | | Target | Actual | Target | | Actual | Target | | |
| Service Indicators | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| schools, and govt buildings are evaluated and monitored | | | | | | | | | |
| Surveillance & prevention of communicable diseases -Ensure that communicable diseases within Alfred Nzo are effectively prevented, and even the cross-boundary issues are properly addressed | Number of awarenesses conducted on prevention and control of communicable diseases. | 408 | 423 | 408 | 408 | 409 | | | |
| Epidemiological surveillance of diseases | | | | | | | | | |
| Disposal of the dead | Number of awarenesses on disposal of the dead | 408 | 423 | 408 | 408 | 409 | | | |

| Employees: Municipal Health Services | | | | | |
|--------------------------------------|-----------|-------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year -1 | 14/15 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 2 | 1 | 1 | 0 | 0% |
| 4 - 6 | 19 | 25 | 18 | 0.6 | 24% |

Note: The trend is that positions, once vacated, are not easily filled such that others get to be extinct (like the Assistant Manager: MHS that was vacated in April 2014. It was never filled, up until the post was removed from the organogram. Another EHP was vacated in March 2015, and 4 months has elapsed without it being filled. This adversely affects the compliance with WHO which requires a compliance of 1: 10,000

In 2013/14 we were at 1: 44,555 (with 18 EHPs) then 14/15 ratio has increased to 1: 50,125 (with 16 EHPs). It needs to be noted that we are not improving; instead we are dropping the standards of compliance. This is adversely affecting the

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municipality performance and compliance (and could lead to the service being recalled by National Dept of Health here in ANDM only).

| Financial Performance Year 0: Municipal Health Services | | | | | |
|---|---------|-----------------|-------------------|----------------------------------|--------------------|
| R'000 | | | | | |
| Details | 2013/14 | 2013/14 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance To Budget |
| Total Operational Revenue | 21,606 | 17,404 (MHS ES) | | 17,404 (MHS ES) 2,101 (ECDoH) | % |
| Expenditure: | | | | | |
| Employees | 6,500 | 8,500 | 8,500 | 7,429 | 14,4% |
| Repairs And Maintenance | - | - | - | - | % |
| Other | 4,000 | 5,500 | 5,000 | 4,358 | 26% |
| Total Operational Expenditure | 10,500 | 14,000 | 13,000 | 11,787 | 18.8% |
| Net Operational Expenditure | | | | | % |

| Financial Performance Year 0: Municipal Health Services | | | | | |
|---|---------|-----------------|-------------------|----------------------------------|--------------------|
| R'000 | | | | | |
| Details | 2013/14 | 2013/14 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance To Budget |
| Total Operational Revenue | 21,606 | 17,404 (MHS ES) | | 17,404 (MHS ES) 2,101 (ECDoH) | % |
| Expenditure: | | | | | |
| Employees | 6,500 | 8,500 | 8,500 | 7,429 | 14,4% |
| Repairs And Maintenance | - | - | - | - | % |
| Other | 4,000 | 5,500 | 5,000 | 4,358 | 26% |
| Total Operational Expenditure | 10,500 | 14,000 | 13,000 | 11,787 | 18.8% |
| Net Operational Expenditure | | | | | % |

| Capital Expenditure Year 0: Municipal Health Services | | | | | |
|---|--------|-------------------|--------------------|-------------------------------|---------------------|
| R' 000 | | | | | |
| Capital Projects | 14/15 | | | | |
| | Budget | Adjustment Budget | Actual Expenditure | Variance from original budget | Total Project Value |
| Total All | 200 | 150 | 148 | 26% | |
| Purchase of water sampling kits | 200 | 150 | 148 | 26% | 200 |

The capital projects are majorly the procurement of sampling equipment which is assisting on on-site sampling and quick analysis of water samples. As time goes by there will be need for a fully-fledged mini laboratory which will need accreditation for the institution to sample and analyse even food samples. This will also reduce costs and on transporting the samples to Cape Town and Johannesburg and at the same time minimize the risks of having a tangible result

G: SECURITY AND SAFETY

The functions that are carried out by ANDM are Fire and Rescue Services, and Disaster Risk Management. These are carried out following the legislative mandate set out in the Disaster Management Act and Fire Services Act

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3.16. FIRE AND RESCUE SERVICES

Fire and Rescue Services is a unit under Community Development Services Directorate Services Directorate, responsible for ensuring the safety of ANDM community and visitors by; providing effective emergency response services and quality prevention and education programmes that will minimize the loss of life and property resulting from fires and other emergency situations.

The Fire and Rescue Service Unit is organized into four divisions. Each division has functional Sections which are responsible for the accomplishment of specific functional goals and objectives.

3.16.1. THE DIVISIONS FIRE AND RESCUE SERVICES

MANAGEMENT & ADMINISTRATION

The Management and Administration division is responsible for all management and administrative functions in Fire and Rescue Services unit. It is therefore responsible for budget management and control thereof, human resource management, establishing organizational principles and processes and providing motivation and discipline. Furthermore, the monitoring and management of performance and risk management are key functional roles of the division so as to ensure excellence of service delivery and a safe and healthy environment for all communities.

OPERATIONS

The Operations Division is responsible for fire suppression and rescue and is the backbone of the Fire and Rescue Service. The key objective of the division is to ensure that the Fire and Rescue Service is always prepared to provide a 24 hour uninterrupted fire and rescue response to all members of the community. Functions include fire suppression, technical rescue, hazardous materials, and urban search and rescue and disaster response services, operational risk familiarization and public fire education in partnership with other service divisions. This division also include Fire and Rescue service communications – dispatch services.

- A. The Communication Control Centre has handled 590 emergency calls and dispatched response vehicles/teams.*
- B. Through utilization of relevant resources the Fire and Rescue services has promptly respond to 590 fire related incidents, saving lives and property thus, ensuring stability in the district economy.*

SAFETY & SUPPORT SERVICES

The Safety and Support Services Division is primarily responsible for the achievement of the department's fire prevention, fire cause determination and fire protection strategies. It is also responsible for ensuring that all support services relating to the provision of a fire and rescue service are provided in a manner that contributes to the rendering of an effective service.

- C. 180 occupancies have been inspected resulting into the registration of 61 flammable liquid and hazardous chemical handling sites and production of reports thereof.*
- D. Out of 48 building plans that were scrutinized, 31 were approved and 12 rejected pending noncompliance.*

IN-HOUSE AND PUBLIC TRAINING

The Training section is primarily responsible for the professional and continual skills development of firefighters and for public fire education to achieve preparedness objectives.

- E. Through extensive public education, public awareness programs and continuous training of fire fighters, the municipality has managed to reduce the impact of fire related incidents by 70% in 2014/15 financial year.*

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District Fire Service Data

| | Details | Year 13/14 | Year 14/15 | | Year 15/16 |
|---|--|------------|--------------|------------|--------------|
| | | Actual No. | Estimate No. | Actual No. | Estimate No. |
| 1 | Total fires attended in the year | 600 | 599 | 590 | 600 |
| 2 | Total of other incidents attended in the year | 233 | 190 | 121 | 170 |
| 3 | Average turnout time - urban areas | 10 min | 7 min | 10 min | 7 min |
| 4 | Average turnout time - rural areas | 30 min | 45 min | 30 min | 45 min |
| 5 | Fire fighters in post at year end | 54 | 54 | | 53 |
| 6 | Total fire appliances at year end | 11 | 14 | 14 | 16 |
| 7 | Average number of appliance off the road during the year | 1 | 2 | 1 | 2 |

90% of the response time as stipulated in SANS 10090 was achieved in the financial.

Employees: Fire Services

| Job Level | Year -1 | Year 0 | | | |
|-----------------------------|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Fire Fighters | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| Administrators | No. | No. | No. | No. | % |
| Chief Fire Officer & Deputy | | | | | |
| Other Fire Officers | | | | | |
| 0 - 3 | 1 | 1 | 1 | 0 | 0% |
| 4 - 6 | 8 | 20 | 12 | 8 | 40% |
| 7 - 9 | 38 | 96 | 38 | 58 | 60% |
| 10 - 12 | 0 | 0 | 0 | 0 | 0% |
| 13 - 15 | 0 | 0 | 0 | 0 | 0% |
| 16 - 18 | 0 | 0 | 0 | 0 | 0% |
| 19 - 20 | 0 | 0 | 0 | 0 | 0% |
| Total | 47 | 117 | 51 | 66 | 56% |

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3.17. DISASTER MANAGEMENT

Alfred Nzo District Municipality Disaster Risk Management Unit is responsible for an integrated institutional capacity for disaster risk management, risk assessment, risk reduction, response and recovery, this forms part of our endeavors aimed at sustainable communities.

Disaster risk management is a multi-disciplinary, multi-sectoral integrated and uniform process of planning that focuses on the prevention and reduction of risk of disasters, mitigating their severity, ensure emergency preparedness and also provide for the rapid response to disasters and post-disaster recovery.

Here are the projects for the year under review (2014/2015);

| KPA | PROGRAMS (2014/2015 Financial Year) |
|---|---|
| Integrated institutional for disaster risk management | Employment of the HOC (August 2014) |
| | Capacitation of the District Disaster Advisory Forum Members and Technical Task Teams (05-07 May 2015) |
| | Sitting of the District Disaster Management Advisory Forum (4X quarterly) |
| | Review of Local Disaster Management Advisory Forums (all LM's October to December 2014) |
| | Established cooperation with neighboring district municipalities (Dec to June 2015) |
| | Construction of Mbizana Disaster Management Satellite Centre (|
| Disaster Risk Reduction | Adoption of the ANDM Disaster Risk Management Plan Updated the Disaster Risk Profile – December 2015 |
| Disaster Response and Recovery | Procurement of relief material Responding to Hailstorm disaster at Ntabankulu |
| | Maintenance of Disaster Response Teams (June –June 15) |

SERVICE STATISTICS FOR DISASTER MANAGEMENT

| TYPE OF INTERVENTION | NUMBER |
|--|--------|
| Declared disasters | 3 |
| Households assisted with disaster relief material | 934 |
| Awareness campaigns | 21 |
| Capacity building/training (number of beneficiaries) | 50 |
| Institutional capacity (advisory forum) | 4 |
| Disaster risk plans developed (Disaster Risk Management Plan, Disaster Management Policy Frame work and Risk Assessment) | 3 |

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| Employees: Disaster Management | | | | | |
|--------------------------------|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year -1 | Year 0 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 1 | 2 | 2 | 2 | 100% |
| 4 - 6 | 0 | 0 | 0 | 0 | 0% |
| 7 - 9 | 7 | 15 | 7 | 8 | 53% |

| Financial Performance Year 0: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc | | | | | |
|--|---------------|-----------------|-------------------|--------------|--------------------|
| R'000 | | | | | |
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | - | - | - | - | 0% |
| Expenditure: | | | | | |
| Employees | 10 237 983.84 | 3 716 088.46 | 2 744 635.65 | 2 070 231.11 | -80% |
| Repairs and Maintenance | - | - | - | - | 0% |
| Other | - | - | - | - | 0% |
| Total Operational Expenditure | 10 237 983.84 | 3 716 088.46 | 2 744 635.65 | 2 070 231.11 | -80% |
| Net Operational Expenditure | 10 237 983.84 | 3 716 088.46 | 2 744 635.65 | 2 070 231.11 | -80% |
| <i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i> | | | | | <i>T 3.22.5</i> |

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H1: SPORT AND RECREATION

According to the municipal key performance area this unit belong to Good Governance and Public Participation, it directly involve members of the communities on heritage issues, community sport development and development of arts and culture.

13.18. HERITAGE AND MUSEUMS

Develop, protect and promote heritage site

ARTS AND CULTURE

Facilitate the establishment and functioning of Cultural centres

SPORTS AND RECREATION

Facilitate the development of sport and recreational facilities

3.19. SPORT AND RECREATION

3.19.1. SERVICE STATISTICS FOR SPORT ARTS CULTURE RECREATION AND HERITAGE

HERITAGE AND MUSEUM:

- 1 x Mowa memorial site fenced.
- O.R. Tambo legacy program conducted.
- Alfred Nzo legacy program conducted

ARTS AND CULTURE:

- 1x District cultural activity conducted.
- 1 x Alfred Nzo Choral music conducted
- 4 x Traditional Leaders program conducted and supported
- 2 x initiation program(abafana basentabeni) conducted and supported
- 1 x Grahamstown national arts festival conducted.

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SPORT AND RECREATION:

- 1 x National Spar championship program supported.
- 1x horse racing program supported
- 1 x SAIMSA games conducted and supported
- 1 x SALGA program conducted and supported

| SACR&H Policy Objectives Taken From IDP | | | | | | | | | |
|--|--|-------------------|--------|-------------------|------------------|--------|------------------|------------------|--------------------|
| Service Objectiv es | Outline Service Targets | 14/15 | | 15/16 | | | - | - | |
| | | Target | Actual | Target | | Actual | Target | | |
| Service Indicator s | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| To co-ordinate SACR & H at a district level and to ensure that these services go uninterrupted and smoothly. | | | | | | | | | |
| Heritage and museum | Number of commem oration | 3 | 3 | 3 | 3 | 3 | | | |
| Sport and recreation | Number of sport program es conduc ted | 3 | 3 | 4 | 4 | 4 | | | |
| Arts and culture | Number of cultural activities conduc ted | 1 | 1 | 5 | 5 | 5 | | | |

The component of SACRH is focusing mainly in coordinating and facilitating the development of sport and recreation, arts and culture, heritage and museum. The target major task is to develop heritage route that link all heritage sites within the district. Identify and develop undeveloped heritage sites within the district. Expose and develop the district youth on sport and recreation and arts and culture programmes. As the district is playing a co-ordination and facilitation role there is a challenge with regard to specific budget, this is based on the primary mandate of the entire municipality.

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H2: CUSTOMER CARE AND (ISD)

ISD & CUSTOMER CARE PUBLIC EDUCATION AND COMMUNITY AWARENESS PROGRAMM

The unit is responsible for ensuring existence of sound relations between the district municipality and its customers and further ensure maximum stakeholder participation in the development initiatives of the district through a people-centred approach to achieve sustainable development

- 1) *Customer Care Public Education and Community Awareness Programme.*
- 2) *Customer Care Centre Marketing.*
- 3) *Batho Pele Championship Programme.*
- 4) *Formally introduce ANDM Batho Pele Development and Implementation of ISD Guidelines.*
- 5) *Promotion of a crime free district through crime awareness programmes*

1) CUSTOMER CARE PUBLIC EDUCATION AND COMMUNITY AWARENESS PROGRAM

- a) *4 x Customer Care Indaba(road shows)were conducted covering all municipalities whin ANDM family of municipalities.*
- b) *4 x water use awareness campaigns.*

2) CUSTOMER CARE CENTRE MARKETING

- a) *5000 x information phamphlets has been developed and disributed.*
- b) *All the municipal vehicles are trademarked with customer care line.*

3) BATHO PELE CHAMPIONSHIP PROGRAMME

- a) *Forum is fully operational which include representetives from local municipalities and government department within ANDM area of jurisdiction.*

4) DEVELOPMENT AND IMPLEMENTATION OF ISD GUIDELINES

- a) *ISD guidelines has been developed and implented .*

5) PROMOTION OF A CRIME FREE DISTRICT THROUGH CRIME AWARENESS PROGRAMMES

F. *Support has been given to local municipalities for implementation of local community safety plan.*

G.

Employees: CC & ISD

| Job Level | 13/14 | 14/15 | | | |
|-----------|-----------|-------|-----------|----------------------------------|-----------------------------------|
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 1 | 1 | 1 | 1 | 0% |
| 4 - 6 | 16 | 20 | 21 | 1 | 20% |

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H3: THUSONG SERVICE CENTRES

Thusong Service Centers, formerly known as Multi-Purpose Community Centers (MPCCs) have been identified by the South African Government as the primary approach to address historical, social and economic factors, which limited access to information, services and participation by citizens, as they had to travel long distances to access these services, negatively affects their own empowerment.

1) THUSONG SERVICE CENTERS INSTITUTIONAL ARRANGEMENT

- a) Local center management committee which composed of all stakeholders within and around Nophoyi Thusong Service Centre.
- b) Intersectoral stakeholder engagements took place in order to finalise contractual agreements with leads government agencies within the centres.
- c) Benchmarking has been conducted and best practise has been adopted.
- d) Standard Operating procedures has been developed to serve as a guide the use of Thusong Services Centre facilities.

2) CONSTRUCTION OF THUSONG CENTERS

- a) Nkantolo Thusong Service Centres – is at 40%.
- b) Tabachicha Thusong Services Centres-is at 60.5%

3) THUSONG CENTRE SERVICES

H. Departments were engaged to provide services on wheels/mobile services as on going exertion.

| Employees: Thusong Service Centers | | | | | |
|------------------------------------|-----------|-------|-----------|----------------------------------|-----------------------------------|
| Job Level | 13/14 | 14/15 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 0 | 1 | 1 | 0 | 0% |
| 4 - 6 | 0 | 4 | 1 | 3 | 75% |

Challenges & Initiatives

| Challenges | Initiatives |
|---|------------------------------------|
| High vacancy (MHS: vacancy and staff turn-over; Fire & Rescue Services: operating the shifts with volunteers and Disaster Management: Information Management) | Filling of vacant post prioritised |

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| | |
|---|---|
| Lack of Emergency Services and Disaster Management system, that lead to poor records keeping in line with legislation | Emergency Control room has been and emergency and disaster management system has been finalized during Q1 |
| Customer Care Surveys program was implemented but triggered the rollover of the project which could not be implemented due to financial constraints | Rollover and implantation will be implemented during Q3 |
| There were no response for suppliers (proposals for supply and management of vending machines) | Project will be implemented during Q4 |
| Procurement of laboratory equipment has not been achieved due self declaration of the incapacity by the appointed service province. | Project to go back on tender in the next financial. |
| Alfred Nzo memorial lecture has been put in abeyance for further consultation with stakeholders | Alfred Nzo Legacy Program will be implemented during Q4 of 2015/16 |
| Fire-fighting equipment, feasibility study for the training centre, and fire engines were not procured due to delayed SCM processes and that ended up being paid in the following financial year, thus hiccupping the budget for 1516 | Proper implementation of the procurement plan |
| Volunteers (EPWP) are constituting 43% (of the workers that operate the shifts of the Fire Services, this then requires assigning resources worth millions to unemployed people. | Appoint fire-fighters so as to comply with SANS 10090 |
| Construction of Mbizana Disaster Management Centre was not prioritised and yet it had an allocation of budget | Prioritise the construction this financial year |

CHAPTER 5 – FINANCIAL PERFORMANCE

I: CORPORATE POLICY OFFICES AND OTHER SERVICES

The responsibilities of the department include;

Human Resource Management which is responsible for providing management and staff with quality human resource support including career and compensation management, labour relations management and employee wellness

Human Resource Development which includes assisting new entrants into the labour market (NSDS), training and development of staff, Councillor Development and community empowerment.

Legal Services which includes all legal related matters of the whole Municipality such as litigation, contract management, advisory services, debt recovery, by law development and disciplinary proceedings.

Administrative Support

Information and Communication Technology (ICT)

3.21. FINANCIAL SERVICES

| Employees: Financial Services / BTO | | | | | |
|--|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year -1 | Year 0 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 6 | 10 | 9 | 1 | 10% |
| 4 - 6 | 24 | 27 | 24 | 3 | 11% |
| 7 - 9 | 35 | 48 | 39 | 9 | 19% |
| 10 - 12 | 0 | 0 | 0 | 0 | not on organogram |
| 13 - 15 | 0 | 0 | 0 | 0 | not on organogram |
| 16 - 18 | 0 | 0 | 0 | 0 | not on organogram |
| 19 - 20 | 0 | 0 | 0 | 0 | not on organogram |
| Total | 65 | 85 | 72 | 13 | not on organogram |
| Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. | | | | | |
| T 3.25.4 | | | | | |

Financial Performance Year 0: Financial Services

R'000

| Details | Year -1 | Year 0 | | | |
|---------------------------|-----------------|-----------------|-------------------|------------------|--------------------|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | | | | | 0% |
| Expenditure: | | | | | |
| Employees | 4 359 884.07 | 24792787 | 21 740 582.00 | 15 306 130.45 | -62% |
| Repairs and Maintenance | - | 0 | 0 | - | 0% |

CHAPTER 5 – FINANCIAL PERFORMANCE

| Financial Performance Year 0: Financial Services | | | | | |
|---|-----------------|-----------------|-------------------|------------------|--------------------|
| R'000 | | | | | |
| Details | Year -1 | Year 0 | | | |
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Other | - | 0 | 0 | - | 0% |
| Total Operational Expenditure | 4 359 884.07 | 24792787 | 21740582 | 15 306 130.45 | -62% |
| Net Operational Expenditure | 4 359 884.07 | 24792787 | 21740582 | 15 306 130.45 | -62% |
| Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. | | | | | T 3.25.5 |

3.22. HUMAN RESOURCE SERVICES

ANDM Human Resources Management and Development Division is responsible for the following:

1. Employee Health and welfare through the implementation of a sustainable Integrated Wellness Programme.
2. to ensure that a fully complaint to legislation IPMS and EPMS is implemented and monitored
3. Promotion of sound labour relations and employee welfare
4. Development and review of policies and implementation of collective agreements as signed.
5. Review and adoption of the Organisational structure and organizational development strategies implemented in terms legislation.
6. Implement personnel management and payroll management.
7. Implement and coordinate the capacity building and training of employees and Councillors.
8. Implement graduate and non-graduate support programmes for ANDM Youth

ANDM Human Resources Management and Development Division is responsible for the following:

3.22.1 SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

ACHIEVEMENTS:

Integrated Employee Wellness Programme - 60 Counselling, follow ups Treatment and referral done at IDMS Technical Services. 120 consultations and referrals done for employees. 30 OHS inspections done on ANDM sites

Policy development and review - All 23 CPS policies were adopted by council.

The annual Employment Equity Report was submitted to the Department of Labour in January 2015.

Performance Management System - Performance contracts were signed by senior managers, level 2&3 managers

Performance assessment for level 2&3 managers were conducted for midterm

Review and adoption of the organizational structure -1 Reviewed organisational structure was adopted.

Coordination of all training and development programmes

District Job Evaluation Unit was established

External Bursary Scheme - 7 students were registered at tertiary institutions to study.

CHAPTER 5 – FINANCIAL PERFORMANCE

Human Resource Services Policy Objectives Taken From IDP

| Service Objectives | Outline Service Targets | 2014/2015 | | 2015/2016 | | 2016/2017 | 2017/2018 | | |
|---|--|--|--|--|--|--|--|--|--|
| | | Target | Actual | Target | | Actual | Target | | |
| Service Indicators | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| number of employees and councillors trained | 100% implementation of the WSP | 100% implementation of the WSP | 100% implementation of the WSP | 100% implementation of the WSP | 100% implementation of the WSP | 100% implementation of the WSP | 100% implementation of the WSP | 100% implementation of the WSP | 100% implementation of the WSP |
| Improving speed of payroll administration to ensure that efficient and effective payroll administration | Commencement of the payroll monthly payroll adjustments within the prescribed time frames. | Payroll Monthly adjustment are received monthly as per prescribed schedule of payroll processing | Commencement of the payroll monthly payroll adjustments within the prescribed time frames. | Payroll Monthly adjustment are received monthly as per prescribed schedule of payroll processing | Commencement of the payroll monthly payroll adjustments within the prescribed time frames. | Payroll Monthly adjustment are received monthly as per prescribed schedule of payroll processing | Commencement of the payroll monthly payroll adjustments within the prescribed time frames. | Payroll Monthly adjustment are received monthly as per prescribed schedule of payroll processing | Payroll Monthly adjustment are received monthly as per prescribed schedule of payroll processing |
| improve compliance with adopted policies and collective | 100% legal complaint policies and Collective Agreements | 100% legal complaint policies and Collective Agreements | 100% legal complaint policies and Collective Agreements | 100% legal complaint policies and Collective Agreements | 100% legal complaint policies and Collective Agreements | 100% legal complaint policies and Collective Agreements | 100% legal complaint policies and Collective Agreements | 100% legal complaint policies and Collective Agreements | 100% legal complaint policies and Collective Agreements |

CHAPTER 5 – FINANCIAL PERFORMANCE

Human Resource Services Policy Objectives Taken From IDP

| Service Objectives | Outline Service Targets | 2014/2015 | | 2015/2016 | | 2016/2017 | 2017/2018 | | |
|----------------------------------|-------------------------|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | | Target | Actual | Target | | Actual | Target | | |
| Service Indicators | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| agreements | | | | | | | | | |
| Training of unemployed graduates | Number of graduates | x graduates trained | x people trained | x people trained | x people trained | x people trained | x people trained | x people trained | x people trained |

Employees: Human Resource Services

| Job Level | Year -1 | Year 0 | | | |
|-----------|-----------|--------|-----------|----------------------------------|-----------------------------------|
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 – 3 | 1 | 1 | 1 | 0 | 0% |
| 4 – 6 | 8 | 11 | 7 | 4 | 26% |
| 7 – 9 | 2 | 4 | 3 | 1 | 36% |
| 10 - 12 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| 13 - 15 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| 16 - 18 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| 19 - 20 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| Total | 11 | 16 | 11 | 5 | 31% |

Financial Performance Year 0: Human Resource Services

R'000

CHAPTER 5 – FINANCIAL PERFORMANCE

| Details | Year -1 | Year 0 | | | |
|-------------------------------|-----------------|-----------------|-------------------|-----------------|--------------------|
| | Actual | Original Budget | Adjustment Budget | Actual | Variance to Budget |
| Total Operational Revenue | | | | | 0% |
| Expenditure: | | | | | |
| Employees | 2 411 979.26 | 6 169 750.09 | 6 083 587.64 | 4 943 124.66 | -25% |
| Repairs and Maintenance | - | - | - | - | 0% |
| Other | - | - | - | - | 0% |
| Total Operational Expenditure | 2 411 979.26 | 6 169 750.09 | 6 083 587.64 | 4 943 124.66 | -25% |
| Net Operational Expenditure | 2 411 979.26 | 6 169 750.09 | 6 083 587.64 | 4 943 124.66 | -25% |

ACHIEVEMENTS:

Organogram approved by the Council on the 30 May 2015

Performance agreements for all section 56 managers.

ANDM developed and adopted a workplace skills plan for the 2015/16 financial year.

3.23. INFORMATION AND COMMUNICATION TECHNOLOGY SERVICES

1. ICT Infrastructure Assessment
2. Hardware and software evaluation
3. Improve operational efficiency and ICT diversity management
4. Assist municipality in making informed decisions when procuring systems/technology specifications to meet current and planned requirements
5. Provide guidance and information on proposed standards

3.23.1. ICT PROJECTS FOR 14/15 FINANCIAL PERIOD

SOFTWARE LICENSING AND MAINTENANCE

Seven (7) Licenses that were due for renewal were renewed and SLAs were signed for all ANDM systems. MS Licenses are due for renewal on July 2015. Implementation of automated backup, Mail Continuity and Disaster Recovery Solutions is still on the implementation stage. All ICT SLAs were reviewed and signed by both parties. The municipality has appointed service provider to implement the following:

1. Mimecast (Mail Archiving solution), this solution provides both archiving and continuity on emails. This solution will ensure that ANDM emails archived as they received and sent and also to ensure total availability of emails without down time. This project component is currently on the implementation stage, I will be concluded on the second quarter of 2016/16 financial period.

CHAPTER 5 – FINANCIAL PERFORMANCE

2. Automated backup solution, ANDM was relying on backup tapes for daily backups which are not reliable hence they are hardware devices which can be broken or can be easily damaged and lead to lose of backup information. ANDM decided to move away from this solution to automated backup solution which is currently on the implementation stage. This solution will be implemented using Attix5 and I will be completed on the first quarter of 2015/16 financial period.
3. Disaster Recovery and Continuity Plan, ANDM has developed disaster recovery and continuity policy and appointed service provider to deploy Disaster Recovery for the municipality which will be completed on the first quarter of 2015/16 financial period. ICT has also implemented Continuity site at ANDM Mt Ayliff DMC site. This site is not complete at the moment but lot of work has been done.

HARDWARE EQUIPMENT AND NETWORK UPGRADES

All budgeted hardware requirements were delivered. ANDM has implemented Wi-Fi connectivity on the main office only, this has been done deliberately to pilot the solution to the main site first before moving to other sites. ICT is mindful that this solution is not and it cannot substitute wired network connectivity through data points but also acknowledges the fact that it is convenient such that it allows employees to move around with their mobile computers connected to the network. L2 POE Network switches were also procured and installed to enhance performance of the network. Laptops and thin clients were procured during the financial period as a response to requests that were submitted by departments, this project is co-owned by ICT and Assets unit. ICT develop specification for the assets requested according to ANDM technology minimum standards and Asset Management unit records these assets on the asset register for proper declaration on the Annual Financial Statements (AFS).

UPGRADE OF THE DISASTER RECOVERY SITE AT DISASTER MANAGEMENT CENTRE IN MOUNT AYLIFF

Uninterrupted Power Supply has been delivered awaiting for install. Installation has been delayed by dispute between service provider and SCM in relation to interpretation of specification. Solution has been provided ICT is awaiting for installation process to commence. UPS will be installed using internal resources.

IMPLEMENTATION OF MASTER SYSTEMS PLAN AND ICT STRATEGY

Draft ICT Strategy has been developed and it is now waiting for council adoption. Development of municipal Master Systems Plan (MSP) has started and the first draft is in place, there are still few things to be considered before the document can be tabled to Information and Communication Technology Governance Steering Committee (ICTGSC) and later tabled to council for adoption. The target is to conclude all due processes and adoption on the third quarter of 2015/16 financial period.

ICT GOVERNANCE POLICY IMPLEMENTATION(PHASE1)

Development MCGICTPF Phase 01 policies has be completed, the same document was sent to SALGA for comments and SALGA Eastern Cape review and comments were effected. This document is awaiting for council adoption. All supporting ICT Policies are in place waiting for Council Adoption.

OPERATE AND RUNNING OF THE EXISTING COMMUNITY ICT CENTRES

All Community ICT Centres were supported and visited by ICT Staff, the only challenge with these centres is that there were no plans for internet connectivity on this financial year which is key component of the community ICT Centres but ICT has started to implement some plans which will be realisable on the 15/16 Financial Period.

ESTABLISHMENT OF AN ICT COMMUNITY CENTRE

ICT Community Centre has been established at Mfundisweni Skills Centre. Computers were procured and installed by ICT Staff, Network and internet infrastructure were also installed by service provider. We are in the process of concluding internet connectivity SLA for the Centre to have instable internet connectivity for the whole centre.

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ELECTRONIC DOCUMENT MANAGEMENT SYSTEM COMMISSIONING

This project was not implemented due to the fact that Terms of reference were that were developed by the municipality were not in line with requirements of National Archives Act and standard security framework. The responses that were received lacked also critical components of this project to mention consideration of records audit and storage plan for 5 years at least.

| ICT Services Policy Objectives Taken From IDP | | | | | | | | | |
|--|---------------------------------------|--|--|------------------|------------------|------------------|------------------|------------------|-------------------|
| Service Objectives | Outline Service Targets | Year -1 | | Year 0 | | | Year 1 | Year 3 | |
| | | Target | Actual | Target | | Actual | Target | | |
| Service Indicators | | *Previous Year | | *Previous Year | *Current Year | | *Current Year | *Current Year | *Following g Year |
| (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
| Service Objective xxx | | | | | | | | | |
| | | | | | | | | | |
| upgrade an maintain software licenses for uninterrupted ICT Services | 100% of Software | 100% of Software | 100% of Software | 100% of Software | 100% of Software | 100% of Software | 100% of Software | 100% of Software | 100% of Software |
| | , | , | , | , | , | , | , | , | , |
| | Applications and | Applications and | Applications and | Applications and | Applications and | Applications and | Applications and | Applications and | Applications and |
| | Systems License | Systems License | Systems License | Systems License | Systems License | Systems License | Systems License | Systems License | Systems License |
| | Renewal s | Renewal s | Renewal s | Renewal s | Renewal s | Renewal s | Renewal s | Renewal s | Renewal s |
| To establish four (4) Computer centers that will enhance targeted communities ICT knowledge and access | Establishment of four (4) ICT Centres | ICT Cnetres in place for Mbinza, Ntabankulu, Mt Frere and Matatiel e | ICT Cnetres in place for Mbinza, Ntabankulu, Mt Frere and Matatiel e | n/a | n/a | n/a | n/a | n/a | n/a |

| Employees: ICT Services | | | | | |
|-------------------------|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year -1 | Year 0 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |

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| | No. | No. | No. | No. | % |
|---------|-----|-----|-----|-----|-------------------|
| 0 - 3 | 3 | 3 | 3 | 0 | 0% |
| 4 - 6 | 4 | 5 | 4 | 1 | 20% |
| 7 - 9 | 0 | 1 | 0 | 1 | 100% |
| 10 - 12 | 0 | 0 | 0 | 0 | not on organogram |
| 13 - 15 | 0 | 0 | 0 | 0 | not on organogram |
| 16 - 18 | 0 | 0 | 0 | 0 | not on organogram |
| 19 - 20 | 0 | 0 | 0 | 0 | not on organogram |
| Total | 7 | 9 | 7 | 2 | not on organogram |

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.27.4*

ICT Division for the financial year 2014/2015 reduced the downtime for all networks and network support was provided to all departments and the turnaround time for handling queries was reduced.

All the hardware and software licenses were updated so that ANDM ICT environment is secured and protected from external attack.

for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 1 and/or previous year actuals, or expected future variations).

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3.24. PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

3.24.1. RISK MANAGEMENT

Alfred Nzo District Municipality has been established Risk Management processes for identification, analysing & evaluating, monitoring and communication of risks. Integrated Risk Management Framework was also established to guide operation of risk management practises across of the municipality. Municipal wide Risk Assessment was also conducted to identify high risk areas and also for the preparation of Risk Based Internal Audit Plan. Risks registers were also compiled based on the outcomes of the risk assessments.

| Employees: Property - NOT ON ORGANOGRAM | | | | | |
|---|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year -1 | Year 0 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| 4 - 6 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| 7 - 9 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| 10 - 12 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| 13 - 15 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| 16 - 18 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| 19 - 20 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| Total | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

| Employees: Risk Management - ALSO INCLUDED IN MUNICIPAL MANAGER'S OFFICE | | | | | |
|--|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year -1 | Year 0 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 0 | 1 | 0 | 1 | 100% |
| 4 - 6 | 0 | 2 | 0 | 2 | 100% |
| 7 - 9 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| 10 - 12 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| 13 - 15 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| 16 - 18 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| 19 - 20 | 0 | 0 | 0 | 12 | NOT ON ORGANOGRAM |
| Total | 0 | 3 | 0 | 3 | NOT ON ORGANOGRAM |

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Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.28.4

| Employees: Legal Services - ALSO INCLUDED IN THE MUNICIPAL MANAGER'S OFFICE | | | | | |
|---|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year -1 | Year 0 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 1 | 1 | 1 | 0 | 0% |
| 4 - 6 | 0 | 1 | 0 | 1 | 100% |
| 7 - 9 | 1 | 1 | 1 | 0 | 0% |
| 10 - 12 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| 13 - 15 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| 16 - 18 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| 19 - 20 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| Total | 2 | 3 | 2 | 1 | NOT ON ORGANOGRAM |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.28.4

| Employees: ;Procurement Services ALSO INCLUDED IN FINANCIAL SERVICES / BTO | | | | | |
|--|-----------|--------|-----------|----------------------------------|-----------------------------------|
| Job Level | Year -1 | Year 0 | | | |
| | Employees | Posts | Employees | Vacancies (fulltime equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| 0 - 3 | 1 | 2 | 2 | 0 | 0% |
| 4 - 6 | 4 | 5 | 4 | 1 | 20% |
| 7 - 9 | 3 | 3 | 3 | 0 | NOT ON ORGANOGRAM |
| 10 - 12 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| 13 - 15 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| 16 - 18 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| 19 - 20 | 0 | 0 | 0 | 0 | NOT ON ORGANOGRAM |
| Total | 8 | 10 | 9 | 1 | NOT ON ORGANOGRAM |

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.28.4

CHAPTER 5 – FINANCIAL PERFORMANCE

J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, and Forestry as municipal enterprises.



ALFRED NZO

CHAPTER 5 – FINANCIAL PERFORMANCE

K: ORGANISATIONAL PERFORMANCE SCORECARD

ORGANISATIONAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

Provide a brief introduction to your municipality's organizational development function.

| | Indicator name | Total number of people (planned for) during the year under review | Achievement level during the year under review | Achievement percentage during the year | Comments on the gap |
|----|--|---|--|--|---------------------|
| 1 | Vacancy rate for all approved and budgeted posts; | 793 | 475 | 40% | |
| 2 | Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers) | 7 | 5 | 71,4% | |
| 3 | Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY | 5 | 1 | 20% | |
| 4 | Percentage of Managers in Technical Services with a professional qualification | Planners, Technicians Engineers | | | |
| 5 | Level of PMS effectiveness in the DM – (DM to report) | | | | |
| 6 | Level of effectiveness of PMS in the LM – (LM to report) | | | | |
| 7 | Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term | 793 | 793 | 100% | |
| 8 | Percentage of councillors who attended a skill development training within the current 5 year term (For 2013-2014) | 80 | 43 | 53,7% | |
| 9 | Percentage of staff complement with disability | 793 | 5 | 0,63% | |
| 10 | Percentage of female employees | 793 | 428 | 53.9% | |
| 11 | Percentage of employees that are aged 35 or younger | 793 | 398 | 50.1% | |
| 12 | Adoption and implementation of a District Wide/ Local Performance Management System | 60 | 60 | 100% | |

CHAPTER 5 – FINANCIAL PERFORMANCE

BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS

Annual performance as per key performance indicators in water services

| | Indicator name | Total number of household expected to benefit | Estimated backlogs (actual numbers) | Target set for the FY under review (actual numbers) | Number of HH/customer reached during the FY | Percentage of achievement during the year |
|---|---|---|-------------------------------------|---|---|---|
| 1 | Percentage of households with access to potable water | 178 347 | 103 790 | 23413 | 78632 | |
| 2 | Percentage of indigent households with access to free basic potable water | 7741 | 99715 | 23413 | 78632 | |
| 3 | Percentage of clinics with access to potable water | 65 | | | | |
| 4 | Percentage of schools with access to potable water | 883 | | | | |
| 5 | Percentage of households in formal settlements using buckets | N/A | | | | |

Annual performance as per key performance indicators in sanitation services

| | Indicator name | Total number of household/customer expected to benefit | Estimated backlogs (actual numbers) | Target set for the f. year under review | Number of HH/customer reached | Percentage of achievement during the year |
|---|---|--|-------------------------------------|---|-------------------------------|---|
| 1 | Percentage of households with access to sanitation services | 178 347 | 59 351 | 18 786 | 79773 | |
| 2 | Percentage of indigent households with access to free basic sanitation services | 66415 | 98574 | 18786 | 79773 | |
| 3 | Percentage of clinics with access to sanitation services | 65 | | | | |
| 4 | Percentage of schools with access to sanitation services | 883 | | | | |

CHAPTER 5 – FINANCIAL PERFORMANCE

LOCAL ECONOMIC DEVELOPMENT

Annual performance as per key performance indicators in LED

| | Indicator name | Target set for the year | Achievement level during the year (absolute figure) | Achievement percentage during the year |
|---|--|---|---|--|
| 1 | Existence of LED unit | Fully fledged unit | 100% | 100% |
| 2 | Percentage of LED Budget spent on LED related activities. | | | |
| 3 | Existence of LED strategy | THE INFORMATION SHOULD BE REFLECTED IN A NARRATIVE FORM | | |
| 4 | Number of LED stakeholder forum meetings held | | | |
| 5 | Plans to stimulate second economy | | | |
| 6 | Percentage of SMME that have benefited from a SMME support program | | | |
| 7 | Number of job opportunities created through EPWP | for LED projects | | |
| 8 | Number of job opportunities created through PPP | | | |

FINANCIAL VIABILITY AND MANAGEMENT

Annual performance as per key performance indicators in financial viability

| | Indicator name | Target set for the year R(000) | Achievement level during the year R(000) | Achievement percentage during the year |
|---|--|---|--|--|
| 1 | Percentage expenditure of capital budget | | | |
| | | Target set for the year (35%) R(000) | Achievement level during the year R(000) | Achievement percentage during the year vs the operational budget |
| 2 | Salary budget as a percentage of the total operational budget | | | |
| | | Target set for the year (20% or less) R(000) | Achievement level during the year R(000) | Achievement percentage during the year vs the actual revenue |
| 3 | Trade creditors as a percentage of total actual revenue | | | |
| | | Target set for the year (80% and more) R(000) | Achievement level during the year R(000) | Achievement percentage during the year |
| 4 | Total municipal own revenue as a percentage of the total actual budget | | | |
| | | Target set for the year R(000) | Achievement level during the year R(000) | Achievement percentage during the year |
| 5 | Rate of municipal consumer debt reduction | | | |
| 6 | Percentage of MIG budget appropriately spent | | | |

CHAPTER 5 – FINANCIAL PERFORMANCE

| | Indicator name | Target set for the year R(000) | Achievement level during the year R(000) | Achievement percentage during the year |
|----|---|-----------------------------------|--|--|
| 7 | Percentage of MSIG budget appropriately spent | | | |
| 8 | AG Audit opinion | | | |
| 9 | Functionality of the Audit Committee | | | |
| 10 | Submission of AFS after the end of financial year | | | |

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

| No | Indicator name | Target set for the year | Achievement level during the year (absolute figure) | Achievement percentage during the year |
|----|--|---|---|--|
| 1 | % of ward committees established | | | |
| 2 | % of ward committees that are functional | | | |
| 3 | Existence of an effective system to monitor CDWs | THE INFORMATION SHOULD BE REFLECTED IN A NARRATIVE FORM | | |
| 4 | Existence of an IGR strategy | 1 | 1 | 100% |
| 5 | Effective of IGR structural meetings | 8 | 8 | 100% |
| 6 | Existence of an effective communication strategy | 1 | 1 | 100% |
| 7 | Number of mayoral imbizos conducted | 12 | 24 | 200% |
| 8 | Existence of a fraud prevention mechanism | 4 | 2 | 50% |

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CHAPTER 5 – FINANCIAL PERFORMANCE

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

| Employees | | | | | |
|-----------------------------------|-----------|----------------|-----------|-----------|-----------|
| Description | Year -1 | Year 0 | | | |
| | Employees | Approved Posts | Employees | Vacancies | Vacancies |
| | No. | No. | No. | No. | % |
| Water | 187 | 0 | 122 | 119 | % |
| Waste Water (Sanitation) | 6 | 0 | 5 | 20 | % |
| Electricity | - | - | - | - | % |
| Waste Management | - | - | - | - | % |
| Housing | - | - | - | - | % |
| Waste Water (Stormwater Drainage) | - | - | - | - | % |
| Roads | - | - | - | - | % |
| Transport | - | - | - | - | % |
| Planning | 8 | 0 | 8 | 3 | % |
| Local Economic Development | 5 | 0 | 5 | 2 | % |
| Enviromental Protection | 28 | 0 | 25 | 44 | % |
| Sport and Recreation | 4 | 0 | 4 | 2 | % |
| Totals | 238 | 0 | 169 | 190 | – |

Vacancy Rate: Year 0

| Designations | *Total Approved Posts | *Vacancies (Total time that vacancies exist using fulltime equivalents) | *Vacancies (as a proportion of total posts in each category) |
|--|-----------------------|--|---|
| | No. | No. | % |
| Municipal Manager | 1 | 0 | 0.00 |
| CFO | 1 | 0 | 0.00 |
| Other S57 Managers (excluding Finance Posts) | 4 | 0 | 0.00 |
| Other S57 Managers (Finance posts) | 1 | 0 | 0.00 |

CHAPTER 5 – FINANCIAL PERFORMANCE

Vacancy Rate: Year 0

| Designations | *Total Approved Posts | *Vacancies (Total time that vacancies exist using fulltime equivalents) | *Vacancies (as a proportion of total posts in each category) |
|---|-----------------------|--|---|
| | No. | No. | % |
| Police officers | 0 | 0 | 0.00 |
| Fire fighters | 96 | 58 | 60.42 |
| Senior management: Levels 13-15 (excluding Finance Posts) | 4 | 0 | 0.00 |
| Senior management: Levels 13-15 (Finance posts) | 1 | 0 | 0.00 |
| Highly skilled supervision: levels 9-12 (excluding Finance posts) | 125 | 27 | 21.60 |
| Highly skilled supervision: levels 9-12 (Finance posts) | 41 | 15 | 36.59 |
| Total | 274 | 100 | 36.50 |

Turn-over Rate

| Details | Total Appointments as of beginning of Financial Year | Terminations during the Financial Year | Turn-over Rate* |
|---------|--|--|-----------------|
| | No. | No. | |
| Year -2 | 0 | 0 | |
| Year -1 | 20 | 11 | 55% |
| Year 0 | 53 | 57 | 108% |

CHAPTER 5 – FINANCIAL PERFORMANCE

B: MANAGING THE MUNICIPAL WORKFORCE

Note: MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

4.2 POLICIES

HR Policies and Plans

| | Name of Policy | Completed | Reviewed | Date adopted by council or comment on failure to adopt |
|----|---|-----------|----------|--|
| | | % | % | |
| 1 | Affirmative Action | | | September -15 |
| 2 | Attraction and Retention | | | September -15 |
| 3 | Code of Conduct for employees | | | September -15 |
| 4 | Delegations, Authorisation & Responsibility | | | September -15 |
| 5 | Disciplinary Code and Procedures | | | September -15 |
| 6 | Essential Services | | | September -15 |
| 7 | Employee Assistance / Wellness | | | September -15 |
| 8 | Employment Equity | | | September -15 |
| 9 | Exit Management | | | September -15 |
| 10 | Grievance Procedures | | | September -15 |
| 11 | HIV/Aids | | | September -15 |
| 12 | Human Resource and Development | | | September -15 |
| 13 | Information Technology | | | September -15 |
| 14 | Job Evaluation | | | September -15 |
| 15 | Leave | | | September -15 |
| 16 | Occupational Health and Safety | | | September -15 |
| 18 | Subsistence and Travelling | | | September -15 |
| 19 | Municipal Bereavement | | | September -15 |
| 20 | Official Working Hours and Overtime | | | September -15 |
| 22 | Payroll Deductions | | | September -15 |
| 23 | Performance Management and Development | | | September -15 |
| 24 | Recruitment, Selection and Appointments | | | September -15 |
| 25 | Remuneration Scales and Allowances | | | September -15 |
| 27 | Sexual Harassment | | | September -15 |
| 28 | Skills Development | | | September -15 |
| 32 | Uniforms and Protective Clothing | | | September -15 |

CHAPTER 5 – FINANCIAL PERFORMANCE

HR Policies and Plans

| | Name of Policy | Completed | Reviewed | Date adopted by council or comment on failure to adopt |
|---|----------------|-----------|----------|--|
| | | % | % | |
| 33 | Other: | | | September -15 |
| Use name of local policies if different from above and at any other HR policies not listed. | | | | T 4.2.1 |



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CHAPTER 5 – FINANCIAL PERFORMANCE

4.3. INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty

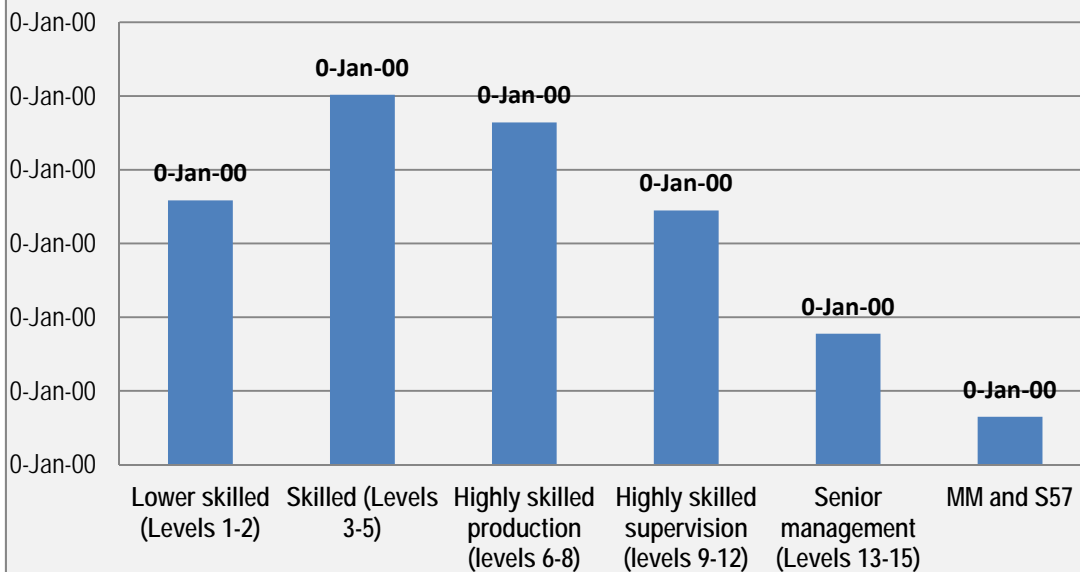
| Type of injury | Injury Leave Taken | Employees using injury leave | Proportion employees using sick leave | Average Injury Leave per employee | Total Estimated Cost |
|---------------------------------------|--------------------|------------------------------|---------------------------------------|-----------------------------------|----------------------|
| | Days | No. | % | Days | R'000 |
| Required basic medical attention only | 0 | | | 0 | 60 |
| Temporary total disablement | 63 | 6 | 10% | 13 | |
| Permanent disablement | | | | | |
| Fatal | 33 | 1 | 3% | 7 | |
| Total | 96 | 5 | 5% | 19 | 60 |

Number of days and Cost of Sick Leave (excluding injuries on duty)

| Salary band | Total sick leave | Proportion of sick leave without medical certification | Employees using sick leave | Total employees in post* | *Average sick leave per Employees | Estimated cost |
|--|------------------|--|----------------------------|--------------------------|-----------------------------------|----------------|
| | Days | % | No. | No. | Days | R' 000 |
| Lower skilled (Levels 1-2) | 105 | 63% | 85 | 273 | 0.18 | R 889 578.35 |
| Skilled (Levels 3-5) | 147 | 42% | 95 | 101 | 0.25 | R 252 251.32 |
| Highly skilled production (levels 6-8) | 136 | 38% | 55 | 132 | 0.23 | R 313 215.04 |
| Highly skilled supervision (levels 9-12) | 101 | 23% | 27 | 36 | 0.17 | R 222 523.21 |
| Senior management (Levels 13-15) | 52 | 3% | 11 | 36 | 0.09 | R 134 221.24 |
| MM and S57 | 19 | 0% | 3 | 8 | 0.03 | R 115 729.35 |
| Total | 560 | 28% | 276 | 586 | 0.96 | R 1 927 518.51 |

CHAPTER 5 – FINANCIAL PERFORMANCE

Average Number of Days Sick Leave (excluding IOD)



Number of period of suspensions

| Positions | Nature of alleged Misconduct | Date of suspension | Details of Disciplinary action taken or status of case and reasons why not finalised | Date finalised |
|-------------------|------------------------------|--------------------|--|----------------|
| Municipal Manager | Mismanagement | 25 Sep 2014 | Settlement reached in December 2014 | December 2014 |
| | | | | |
| | | | | |
| | | | | |

CHAPTER 5 – FINANCIAL PERFORMANCE

| Performance Rewards By Gender | | | | | |
|--|---------------------|------------------------------------|-------------------------|---|--|
| Designations | Beneficiary profile | | | | |
| | Gender | Total number of employees in group | Number of beneficiaries | Expenditure on rewards Year 1 R' 000 | Proportion of beneficiaries within group % |
| Lower skilled (Levels 1-2) | Female | 20 | 9 | | 45% |
| | Male | 30 | 12 | | |
| Skilled (Levels 3-5) | Female | | | | |
| | Male | | | | |
| Highly skilled production (levels 6-8) | Female | | | | |
| | Male | | | | |
| Highly skilled supervision (levels 9-12) | Female | | | | |
| | Male | | | | |
| Senior management (Levels 13-15) | Female | | | | |
| | Male | | | | |
| MM and S57 | Female | | | | |
| | Male | | | | |
| Total | | 50 | 21 | | |
| Has the statutory municipal calculator been used as part of the evaluation process ? | | | | | Yes/No |
| <p>Note: MSA 2000 S51(d) requires that ... 'performance plans, on which rewards are based should be aligned with the IDP'... (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</p> | | | | | T4.4.1 |

CHAPTER 5 – FINANCIAL PERFORMANCE

C: CAPACITATING THE MUNICIPAL WORKFORCE

Note: MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix

| Management level | Gender | Employees in post as at 30 June Year 0 | Number of skilled employees required and actual as at 30 June Year 0 | | | | | | | | | | | |
|--|--------|--|--|-----------------------|---------------|---|-----------------------|---------------|-------------------------|-----------------------|---------------|------------------------|-----------------------|---------------|
| | | | Learnerships | | | Skills programmes & other short courses | | | Other forms of training | | | Total | | |
| | | | Actual: End of Year -1 | Actual: End of Year 0 | Year 0 Target | Actual: End of Year -1 | Actual: End of Year 0 | Year 0 Target | Actual: End of Year -1 | Actual: End of Year 0 | Year 0 Target | Actual: End of Year -1 | Actual: End of Year 0 | Year 0 Target |
| MM and s57 | Female | 2 | | 1 | | | | | | | | | 1 | |
| | Male | 3 | | | | | | | | | | | | |
| Councillors, senior officials and managers | Female | 33 | | 3 | | | 24 | | | | | | 27 | |
| | Male | 47 | | 2 | | | 14 | | | | | | | |
| Technicians and associate professionals* | Female | 14 | 3 | | | 3 | 1 | | | | | | | |
| | Male | 72 | 8 | | | 4 | 22 | | | 3 | | | | |
| Professionals | Female | 41 | | | | 6 | 6 | | | 2 | | | | |
| | Male | 24 | | | | 2 | 4 | | | 1 | | | | |
| Sub total | Female | 90 | | 4 | | | 31 | | | | | | | |
| | Male | 146 | | 2 | | | 40 | | | | | | | |
| Total | | 472 | 11 | 12 | 0 | 15 | 142 | 0 | 0 | 6 | 0 | 0 | 28 | 0 |

Financial Competency Development: Progress Report*

| Description | A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c)) | B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)) | Consolidated: Total of A and B | Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d)) | Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f)) | Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e)) |
|---|---|---|--------------------------------|--|--|--|
| Financial Officials | | | | | | |
| Accounting officer | 1 | 0 | 1 | 0 | 0 | 0 |
| Chief financial officer | 1 | 0 | 1 | 0 | 0 | 0 |
| Senior managers | 2 | 0 | 2 | 0 | 0 | 0 |
| Any other financial officials | 82 | 0 | 82 | 0 | 0 | 0 |
| Supply Chain Management Officials | | | | | | |
| Heads of supply chain management units | 1 | 0 | 1 | 0 | 0 | 0 |
| Supply chain management senior managers | 1 | 0 | 1 | 1 | 1 | 1 |
| TOTAL | 88 | 0 | 88 | 1 | 1 | 1 |

* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)

T 4.5.2

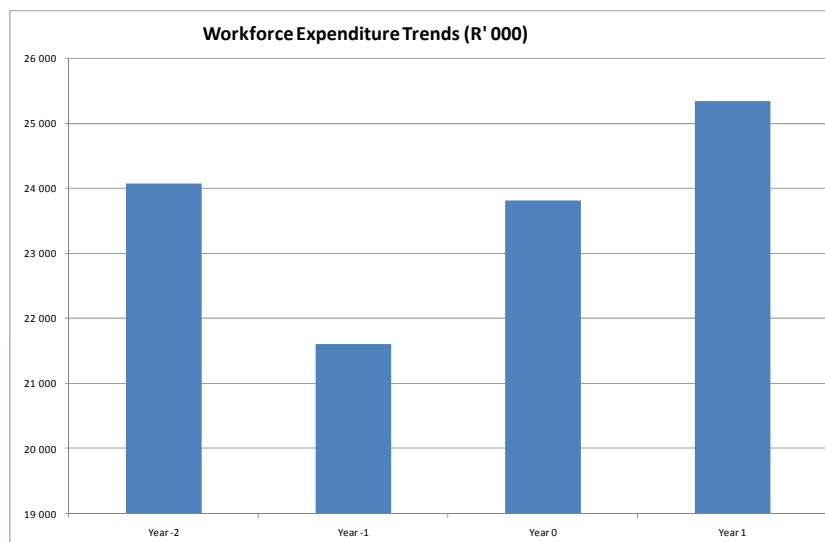
CHAPTER 5 – FINANCIAL PERFORMANCE

| Skills Development Expenditure | | | | | | | | | | |
|--|--------|---|---|--------|---|--------|-------------------------|--------|-----------------|--------|
| | | | | | | | | | | R'000 |
| Management level | Gender | Employees as at the beginning of the financial year | Original Budget and Actual Expenditure on skills development Year 1 | | | | | | | |
| | | | Learnerships | | Skills programmes & other short courses | | Other forms of training | | Total | |
| | | No. | Original Budget | Actual | Original Budget | Actual | Original Budget | Actual | Original Budget | Actual |
| MM and S57 | Female | 2 | | | | | | | | |
| | Male | 3 | | | | | | | | |
| Legislators, senior officials and managers | Female | 33 | | | | | | | | |
| | Male | 47 | | | | | | | | |
| Professionals | Female | 41 | | | | 100468 | | | | 100468 |
| | Male | 24 | | | | 13617 | | | | 13617 |
| Technicians and associate professionals | Female | 14 | | | | | | | | |
| | Male | 72 | | | | | | 5680 | | 5680 |
| Clerks | Female | 62 | | | | 120750 | | | | 120750 |
| | Male | 20 | | | | 7800 | | | | 7800 |
| Service and sales workers | Female | 22 | | | | 29217 | | | | 29217 |
| | Male | 23 | | | | 15600 | | | | 15600 |
| Plant and machine operators and assemblers | Female | 1 | | | | 125895 | | | | 125895 |
| | Male | 12 | | | | 53955 | | | | 53955 |
| Elementary occupations | Female | 25 | | | | | | | | |
| | Male | 72 | | | | | | | | |
| Sub total | Female | 174 | | | | 250435 | | | | 250435 |
| | Male | 189 | | | | 37017 | | 5680 | | 42697 |
| Total | | 363 | 0 | 0 | 0 | 287452 | 0 | 5680 | | 293132 |
| *% and *R value of municipal salaries (original budget) allocated for workplace skills plan. | | | | | | | | | %* | *R |
| | | | | | | | | | | T4.5.3 |

CHAPTER 5 – FINANCIAL PERFORMANCE

D: MANAGING THE WORKFORCE EXPENDITURE

4.6 EMPLOYEE EXPENDITURE



Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded

| Beneficiaries | Gender | Total |
|--|--------|-------|
| Lower skilled (Levels 1-2) | Female | 51 |
| | Male | 58 |
| Skilled (Levels 3-5) | Female | 57 |
| | Male | 54 |
| Highly skilled production (Levels 6-8) | Female | 19 |
| | Male | 6 |
| Highly skilled supervision (Levels 9-12) | Female | 4 |
| | Male | 2 |
| Senior management (Levels 13-16) | Female | 0 |
| | Male | 0 |
| MM and S 57 | Female | 0 |
| | Male | 0 |
| Total | | 251 |

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Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation

| Occupation | Number of employees | Job evaluation level | Remuneration level | Reason for deviation |
|------------------------------|---------------------|----------------------|--------------------|---|
| Social Facilitator | 7 | Task Grade 11 | Level 6 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Secretary | 3 | Task Grade 5 | Level 9 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Gender Coordinator | 1 | Task Grade 10 | Level 6 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Expenditure Clerk | 1 | Task Grade 6 | Level 9 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Administration clerk | 4 | Task Grade 6 | Level 9 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Revenue Clerk | 9 | Task Grade 6 | Level 9 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Records Officer | 1 | Task Grade 9 | Level 7 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Registry Clerk | 3 | Task Grade 6 | Level 9 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Customer Care Officer | 4 | Task Grade 10 | Level 6 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Personal Assistant | 3 | Task Grade 7 | Level 4 | The employees have already reached the ceiling by the time job evaluation was implemented |
| SPU Co- ordinators | 4 | Task Grade 10 | Level 6 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Driver / Messenger | 2 | Task Grade 4 | level 9 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Senior Social Facilitator | 2 | Task Grade 12 | Level 4 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Procurement Officer | 1 | Task Grade 10 | Level 5 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Fire Fighter | 34 | Task Grade 7 | Level 9 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Senior HR Officer : Wellness | 1 | Task Grade 10 | Level 4 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Senior Procurement Officer | 1 | Task Grade 12 | Level 4 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Senior Accountant Payroll | 1 | Task Grade 12 | Level 4 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Registry Clerk | 3 | Task Grade | Level 9 | The employees have already reached the |

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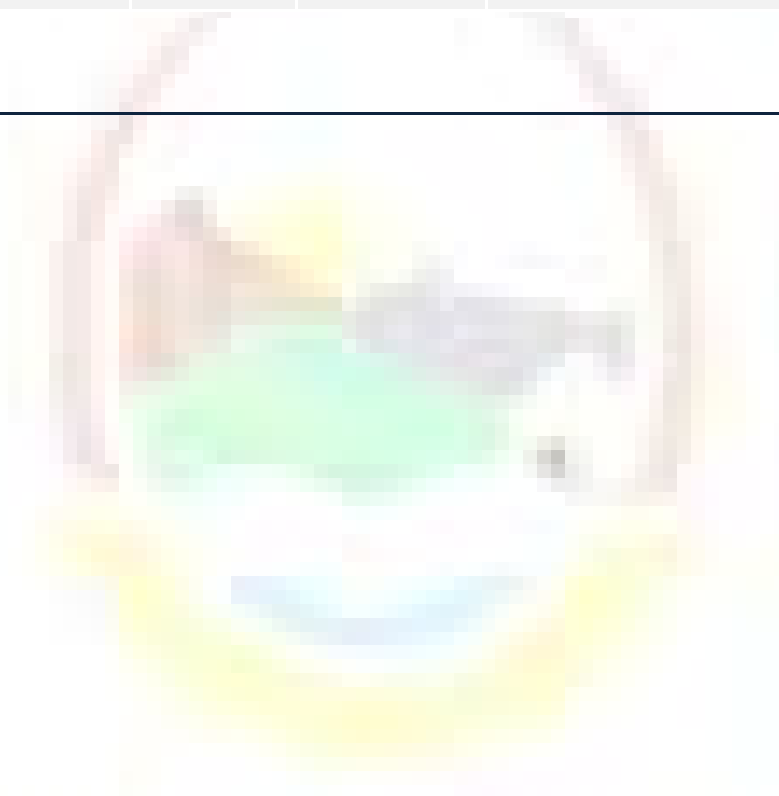
Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation

| Occupation | Number of employees | Job evaluation level | Remuneration level | Reason for deviation |
|-----------------------------------|---------------------|----------------------|--------------------|---|
| | | 6 | | ceiling by the time job evaluation was implemented |
| HRD Officer | 1 | Task Grade 11 | Level 6 | The employees have already reached the ceiling by the time job evaluation was implemented |
| HR Officer | 2 | Task Grade 11 | Level 6 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Accountant Payments | 1 | Task Grade 11 | Level 5 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Senior Accountant Reconciliations | 1 | Task Grade 12 | Level 4 | The employees have already reached the ceiling by the time job evaluation was implemented |
| General Assistant maintenance | 45 | Task Grade 5 | Level 5 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Admin Officer: Dev Planning | 1 | Task Grade 9 | Level 7 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Meter Reader | 13 | Task Grade 6 | Level 12 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Development Coordinator | 2 | Task Grade 11 | level 4 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Desktop Engineers | 2 | Task Grade 10 | Level 6 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Asset Management Officer | 1 | Task Grade 11 | Level 6 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Contracts Officer | 1 | Task Grade 10 | Level 5 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Data Capturer | 7 | Task Grade 6 | Level 9 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Accountant Credit Control | 1 | Task Grade 11 | Level 5 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Senior Accountant Budget | 1 | Task Grade 12 | Level 4 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Payroll Clerk | 2 | Task Grade 6 | Level 9 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Admin Clerk PMU | 1 | Task Grade 6 | Level 9 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Receiving & Issuing CLERK | 7 | Task Grade 6 | Level 9 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Stores Clerk | 1 | Task Grade 6 | Level 9 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Adm Officer: Chief | 1 | Task Grade | Level 7 | The employees have already reached the |

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Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation

| Occupation | Number of employees | Job evaluation level | Remuneration level | Reason for deviation |
|----------------------|---------------------|----------------------|--------------------|---|
| Whip | | 9 | | ceiling by the time job evaluation was implemented |
| Labour Relations Off | 1 | Task Grade 10 | Level 4 | The employees have already reached the ceiling by the time job evaluation was implemented |
| Adm Clerk: SPU | 1 | Task Grade 6 | Level 9 | The employees have already reached the ceiling by the time job evaluation was implemented |
| | | | | T4.6.3 |



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CHAPTER 5 – FINANCIAL PERFORMANCE

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

Delete Directive note once comment is complete - Please explain how your municipality sought to contain inflationary pressures during the financial year. Take the 5 most expensive consultancy arrangements in 2008/09 and explain the costs, the reasons for the engagements and the results. Include such other introductory remarks as you wish.

T5.0.1

A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

Note: Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**.

Delete Directive note once comment is complete - This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality

T5.1.0

Whilst the ANDM has over years maintained a strong financial position through having sufficient reserves, these reserves are however beginning to deplete as we continue to finance capital and operational projects internally. This is mainly due to service delivery backlogs that the district municipality has over the years. Also, due to the rural nature of the district municipality, we rely heavily on government grants as we have a low revenue base.

In line with the provisions of the Division of Revenue Act (DORA), the district municipality anticipates to receive such grants over the foreseeable future as we maintain a high compliance ratio with National Treasury requirements.

In an attempt to address the low revenue base of the district municipality, the municipal council adopted a Revenue Enhancement Strategy that currently being implemented in line with the implementation plan. In line with this the meter audit with an objective of replacing all meters not working and considering prepaid meters for the district.

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The effective and efficient implementation of the strategy depends to the availability of funds, ANDM require additional funds to implement the strategy.

Alfred Nzo District Municipality has developed the supply chain management policy and its being implemented. The policy is being reviewed yearly in line with IDP and Budget implementation process plan, with all other municipal policies.

ANDM is currently GRAP compliant, it provides rules that requires municipality to maintain its financial accounts to ensure comparable and more informative for the municipality. It also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications

The municipality has received a qualified audit opinion, for the period in which the annual report relates. The bases for the qualified opinion are as follows:

ANDM will draw a detailed and comprehensive audit turnaround strategy and plan. Our intention and mandate is to develop and promote high quality audit turnaround strategy with clearly identified and defined audit action plans and targets with realistic timeframes. This will include departmental audit report analysis and action plan and on most significant risk areas, improvement and enhancement quality of ANDM annual financial statements and lead schedule. We will implement informative and relevant actions and encourage the Accounting Officer to appropriately perform field tests of key audit strategy through the office of ANDM internal audit.

During the January 2016 municipal strategic session, the accounting officer will encourage one municipal global solution to the perceived ANDM municipal audit outcomes; coordinated approach and consistency in implementation of audit turnaround will mitigate and improve our next audit report.

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| Description | Year -1 | Current: Year 0 | | | Year 0 Variance | |
|--|-----------------|------------------|------------------|------------------|-----------------|--------------------|
| | Actual | Original Budget | Adjusted Budget | Actual | Original Budget | Adjustments Budget |
| <u>Financial Performance</u> | | | | | | |
| Property rates | | | | | % | % |
| Service charges | 15 363 | 20 226 | 20 226 | 18 777 | -7.72% | -7.72% |
| Investment revenue | 16 724 | 15 400 | 15 400 | 19 879 | 22.53% | 22.53% |
| Transfers recognised - operational | 736 736 | 319 703 | 319 703 | 819 941 | 61.01% | 61.01% |
| Other own revenue | 3 224 | 3 850 | 3 850 | 11 637 | 66.91% | 66.91% |
| Total Revenue (excluding capital transfers and contributions) | 772 047 | 359 179 | 359 179 | 870 233 | 58.73% | 58.73% |
| Employee costs | 155 963 | 195 701 | 152 962 | 195 701 | 0.00% | 21.84% |
| Remuneration of councillors | 7 722 | 8 626 | | 8 626 | 0.00% | 100.00% |
| Depreciation & asset impairment | 52 371 | 51 795 | 48 000 | 51 795 | 0.00% | 7.33% |
| Finance charges | 2 262 | 1 641 | 5 450 | 1 641 | 0.00% | -232.15% |
| Materials and bulk purchases | 2 338 | 4 078 | 3 200 | 4 078 | 0.00% | 21.53% |
| Transfers and grants | 117 448 | 60 610 | 20 000 | 60 610 | 0.00% | 67.00% |
| Other expenditure | 177 070 | 198 351 | 208 248 | 216 014 | 8.18% | 3.60% |
| Total Expenditure | 515 174 | 520 802 | 437 860 | 538 465 | 3.28% | 18.68% |
| Surplus/(Deficit) | 256 873 | (161 622) | (78 681) | 331 768 | 148.72% | 123.72% |
| Transfers recognised - capital | | | | | | |
| Contributions recognised - capital & contributed assets | | | | | | |
| Surplus/(Deficit) after capital transfers & contributions | 256 873 | (161 622) | (78 681) | 331 768 | 148.72% | 123.72% |
| Share of surplus/ (deficit) of associate | | | | | | |
| Surplus/(Deficit) for the year | 256 873 | (161 622) | (78 681) | 331 768 | 148.72% | 123.72% |
| <u>Capital expenditure & funds sources</u> | | | | | | |
| Capital expenditure | - | - | - | - | | |
| Transfers recognised - capital | 244 041 | 745 664 | 6 888 564 | 6 888 564 | 89.18% | 0.00% |
| Public contributions & donations | | | | | | |
| Borrowing | | | | | | |
| Internally generated funds | 62 589 | 38 250 | 71 067 | 71 067 | 46.18% | 0.00% |
| Total sources of capital funds | 306 630 | 783 914 | 6 959 631 | 6 959 631 | 88.74% | 0.00% |
| <u>Financial position</u> | | | | | | |
| Total current assets | 297 239 | 567 639 | 567 639 | 203 700 | 64% | 100% |
| Total non current assets | 1 901 248 | 2 950 510 | 2 926 227 | 2 394 606 | 19% | 100% |
| Total current liabilities | 202 597 | 122 456 | 123 956 | 127 701 | -4% | 100% |
| Total non current liabilities | 28 349 | 249 481 | 249 481 | 28 349 | 89% | 100% |
| Community wealth/Equity | 2 028 662 | 3 146 212 | 3 120 430 | 3 120 430 | 1% | 100% |
| <u>Cash flows</u> | | | | | | |
| Net cash from (used) operating | 239 605 | 486 987 | 416 838 | 465 202 | -4.68% | 10.40% |
| Net cash from (used) investing | (301 456) | (782 918) | (758 505) | (506 593) | -54.55% | -49.73% |
| Net cash from (used) financing | (2 629) | - | - | 26 614 | 100.00% | 100.00% |
| Cash/cash equivalents at the year end | (68 004) | (295 931) | (341 667) | (64 480) | -358.95% | -429.88% |
| <u>Cash backing/surplus reconciliation</u> | | | | | | |
| Cash and investments available | 258 521 | 548 020 | 548 020 | 548 020 | 0.00% | 0.00% |
| Application of cash and investments | 120 611 | 122 456 | 123 956 | 123 956 | 1.21% | 0.00% |
| Balance - surplus (shortfall) | 137 910 | 425 564 | 424 064 | 424 064 | -0.35% | 0.00% |
| <u>Asset management</u> | | | | | | |
| Asset register summary (WDV) | 1 897 902 | 243 271 | 760 584 | 2 353 670 | 89.66% | 67.69% |
| Depreciation & asset impairment | 52 371 | 50 000 | 52 500 | 51 795 | 3.46% | -1.36% |
| Renewal of Existing Assets | - | - | - | - | | |
| Repairs and Maintenance | 13 718 | - | - | 29 324 | 100.00% | 100.00% |
| <u>Free services</u> | | | | | | |
| Cost of Free Basic Services provided | - | - | - | - | 0.00% | 0.00% |
| Revenue cost of free services provided | - | - | 1 | 1 | 100.00% | 0.00% |
| <u>Households below minimum service level</u> | | | | | | |
| Water: | - | - | - | - | 0.00% | 0.00% |
| Sanitation/sewerage: | - | - | - | - | 0.00% | 0.00% |
| Energy: | - | - | - | - | 0.00% | 0.00% |
| Refuse: | - | - | - | - | 0.00% | 0.00% |

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR

| Description | Year -1 | Current: Year 0 | | | Year 0 Variance | |
|--|-----------------|------------------|------------------|------------------|-----------------|--------------------|
| | Actual | Original Budget | Adjusted Budget | Actual | Original Budget | Adjustments Budget |
| Financial Performance | | | | | | |
| Property rates | | | | | % | % |
| Service charges | 15 363 | 20 226 | 20 226 | 18 777 | -7.72% | -7.72% |
| Investment revenue | 16 724 | 15 400 | 15 400 | 19 879 | 22.53% | 22.53% |
| Transfers recognised - operational | 736 736 | 319 703 | 319 703 | 819 941 | 61.01% | 61.01% |
| Other own revenue | 3 224 | 3 850 | 3 850 | 11 637 | 66.91% | 66.91% |
| Total Revenue (excluding capital transfers and contributions) | 772 047 | 359 179 | 359 179 | 870 233 | 58.73% | 58.73% |
| Employee costs | 155 963 | 195 701 | 152 962 | 195 701 | 0.00% | 21.84% |
| Remuneration of councillors | 7 722 | 8 626 | | 8 626 | 0.00% | 100.00% |
| Depreciation & asset impairment | 52 371 | 51 795 | 48 000 | 51 795 | 0.00% | 7.33% |
| Finance charges | 2 262 | 1 641 | 5 450 | 1 641 | 0.00% | -232.15% |
| Materials and bulk purchases | 2 338 | 4 078 | 3 200 | 4 078 | 0.00% | 21.53% |
| Transfers and grants | 117 448 | 60 610 | 20 000 | 60 610 | 0.00% | 67.00% |
| Other expenditure | 177 070 | 198 351 | 208 248 | 216 014 | 8.18% | 3.60% |
| Total Expenditure | 515 174 | 520 802 | 437 860 | 538 465 | 3.28% | 18.68% |
| Surplus/(Deficit) | 256 873 | (161 622) | (78 681) | 331 768 | 148.72% | 123.72% |
| Transfers recognised - capital | | | | | | |
| Contributions recognised - capital & contributed assets | | | | | | |
| Surplus/(Deficit) after capital transfers & contributions | 256 873 | (161 622) | (78 681) | 331 768 | 148.72% | 123.72% |
| Share of surplus/ (deficit) of associate | | | | | | |
| Surplus/(Deficit) for the year | 256 873 | (161 622) | (78 681) | 331 768 | 148.72% | 123.72% |
| Capital expenditure & funds sources | | | | | | |
| Capital expenditure | - | - | - | - | | |
| Transfers recognised - capital | 244 041 | 745 664 | 6 888 564 | 6 888 564 | 89.18% | 0.00% |
| Public contributions & donations | | | | | | |
| Borrowing | | | | | | |
| Internally generated funds | 62 589 | 38 250 | 71 067 | 71 067 | 46.18% | 0.00% |
| Total sources of capital funds | 306 630 | 783 914 | 6 959 631 | 6 959 631 | 88.74% | 0.00% |
| Financial position | | | | | | |
| Total current assets | 297 239 | 567 639 | 567 639 | 203 700 | 64% | 100% |
| Total non current assets | 1 901 248 | 2 950 510 | 2 926 227 | 2 394 606 | 19% | 100% |
| Total current liabilities | 202 597 | 122 456 | 123 956 | 127 701 | -4% | 100% |
| Total non current liabilities | 28 349 | 249 481 | 249 481 | 28 349 | 89% | 100% |
| Community wealth/Equity | 2 028 662 | 3 146 212 | 3 120 430 | 3 120 430 | 1% | 100% |
| Cash flows | | | | | | |
| Net cash from (used) operating | 239 605 | 486 987 | 416 838 | 465 202 | -4.68% | 10.40% |
| Net cash from (used) investing | (301 456) | (782 918) | (758 505) | (506 593) | -54.55% | -49.73% |
| Net cash from (used) financing | (2 629) | - | - | 26 614 | 100.00% | 100.00% |
| Cash/cash equivalents at the year end | (68 004) | (295 931) | (341 667) | (64 480) | -358.95% | -429.88% |
| Cash backing/surplus reconciliation | | | | | | |
| Cash and investments available | 258 521 | 548 020 | 548 020 | 548 020 | 0.00% | 0.00% |
| Application of cash and investments | 120 611 | 122 456 | 123 956 | 123 956 | 1.21% | 0.00% |
| Balance - surplus (shortfall) | 137 910 | 425 564 | 424 064 | 424 064 | -0.35% | 0.00% |
| Asset management | | | | | | |
| Asset register summary (WDV) | 1 897 902 | 243 271 | 760 584 | 2 353 670 | 89.66% | 67.69% |
| Depreciation & asset impairment | 52 371 | 50 000 | 52 500 | 51 795 | 3.46% | -1.36% |
| Renewal of Existing Assets | - | - | - | - | | |
| Repairs and Maintenance | 13 718 | - | - | 29 324 | 100.00% | 100.00% |
| Free services | | | | | | |
| Cost of Free Basic Services provided | - | - | - | - | 0.00% | 0.00% |
| Revenue cost of free services provided | - | - | 1 | 1 | 100.00% | 0.00% |
| Households below minimum service level | | | | | | |
| Water: | - | - | - | - | 0.00% | 0.00% |
| Sanitation/sewerage: | - | - | - | - | 0.00% | 0.00% |
| Energy: | - | - | - | - | 0.00% | 0.00% |
| Refuse: | - | - | - | - | 0.00% | 0.00% |

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR

CHAPTER 5 – FINANCIAL PERFORMANCE

| Financial Performance of Operational Services | | | | | | |
|---|---------------|-----------------|--------------------|----------------|-----------------|--------------------|
| R '000 | | | | | | |
| Description | Year -1 | Year 0 | | | Year 0 Variance | |
| | Actual | Original Budget | Adjustments Budget | Actual | Original Budget | Adjustments Budget |
| Operating Cost | | | | | | |
| Water | 45 000 | 48 261 | 57 420 | 110 117 | 56.17% | 47.86% |
| Waste Water (Sanitation) | – | – | – | – | 0.00% | 0.00% |
| Electricity | 7 669 | 12 000 | 10 000 | 10 050 | -19.41% | 0.50% |
| Waste Management | – | – | – | – | 0.00% | 0.00% |
| Housing | – | – | – | – | 0.00% | 0.00% |
| Component A: sub-total | 52 669 | 60 261 | 67 420 | 120 167 | 49.85% | 43.89% |
| Waste Water (Stormwater Drainage) | – | – | – | – | 0.00% | 0.00% |
| Component B: sub-total | – | – | – | – | 0.00% | 0.00% |
| Local Economic Development & Planning | – | 19 556 | 19 231 | 12 543 | -55.92% | -53.32% |
| Component B: sub-total | – | 19 556 | 19 231 | 12 543 | -55.92% | -53.32% |
| Community & Social Services | – | 57 019 | 57 156 | 57 005 | -0.02% | -0.26% |
| Component C: sub-total | – | 57 019 | 57 156 | 57 005 | -0.02% | -0.26% |
| Total Expenditure | 52 669 | 79 817 | 86 651 | 132 709 | (0) | (0) |
| In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. | | | | | | T 5.1.2 |

CHAPTER 5 – FINANCIAL PERFORMANCE

| Grant Performance | | | | | | |
|--|----------------|------------------|--------------------|------------------|---------------------|------------------------|
| Description | Year -1 | Year 0 | | | Year 0 Variance | |
| | Actual | Budget | Adjustments Budget | Actual | Original Budget (%) | Adjustments Budget (%) |
| Operating Transfers and Grants | | | | | | |
| National Government: | 736 364 | (904 090) | (856 293) | (819 930) | | |
| EQUITABLE SHARES | 319 703 000 | -344 812 000 | -344 812 000 | -342 149 000 | 99.23% | 0.99 |
| FMG GRANT | 1 500 000 | -1 250 000 | -1 250 000 | -1 250 000 | 100.00% | 1.00 |
| MSIG | 890 000 | -934 000 | -934 000 | -934 000 | 100.00% | 1.00 |
| EPWP | 5 780 000 | -8 323 000 | -8 323 000 | -8 323 000 | 100.00% | 1.00 |
| WATER SERVICE OPER SUB GRANT | 14 131 730 | -5 000 000 | -5 000 000 | -5 000 000 | 100.00% | 1.00 |
| MIG | 354 885 000 | -357 363 000 | -367 363 000 | -367 363 000 | 102.80% | 1.00 |
| REGIONAL BULK INFRASTRUCTURE | 13 600 544 | -110 000 000 | -50 000 000 | -44 138 146 | 40.13% | 0.88 |
| TRANSPORT | 2 391 795 | -2 104 000 | -2 104 000 | -2 104 000 | 100.00% | 1.00 |
| SPORTS AND RECREATION | 1 851 861 | -1 200 000 | -1 348 837 | -985 018 | -100.00% | 0.73 |
| WCDM | 109 390 | -1 247 291 | -1 247 291 | -1 247 291 | -100.00% | -100.00% |
| MUNICIPAL HEALTH | 4 201 898 | -1 500 000 | -1 500 000 | -2 328 916 | 155.26% | 1.55 |
| ISDG | 2 236 337 | -3 000 000 | -3 000 000 | -3 939 332 | 131.31% | 1.31 |
| M.W.I.G | 15 082 829 | -54 857 000 | -54 857 000 | -28 171 642 | 51.35% | 0.51 |
| RURAL HOUSING INFRASTR GRANT | 0 | -8 500 000 | -8 500 000 | -6 827 261 | 80.32% | 0.80 |
| ENERGY EFFIC & DEMAND SIDE MAN | 0 | -4 000 000 | -4 000 000 | -4 000 000 | 100.00% | 1.00 |
| ATTIC | 0 | | -653 985 | -508 111 | -100.00% | 0.78 |
| LG SETA - GRANT | 0 | - | -1 400 000 | -661 500 | -100.00% | 0.47 |
| Provincial Government: | | (9) | (9) | (9) | | |
| DEPARTMENT OF WATER AFFAIRS | | (9) | (9) | (9) | | |
| District Municipality: | - | - | - | - | | |
| Other grant providers: | (372) | (1) | (1) | (1) | | |
| RAIN WATER HARVEST | -372 069 | -901 | -901 | -901 | | |
| Total Operating Transfers and Grants | 735 992 | (904 101) | (856 303) | (819 941) | | |
| Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes. | | | | | | |

T 5.2.1

Abbreviations

FMG - Finance Management Grants

MSIG - Municipal Systems Improvement Grant

EPWP - Expanded Public Works Programme

MIG - Municipal Infrastructure Grants

WCDM - Water Conservation and Water Demand Management

ISDG - Infrastructure Skills and Development Grants

MWIG - Municipal Water Infrastructure Grants

Analysis on Grants Performance

Equitable share was received in full for an amount of R319 703 000 but there was an amount of R2 663 000 that was deducted from November transfer for roll-over grants that were not approved by Treasury (i.e. Rural Housing Grant and ISDG).

Regional Bulk Infrastructure Grants was under spent due to delay in implementation of projects and operational delays as this Grants is claimed after spending.

There was also a further allocation of R10m on Municipal Infrastructure Grant on top of the R357m that was Gazetted on DORA. For Municipal Health and ISDG, the actual amounts reflected on the table include opening balances from the previous year.

As much as we have budgeted for R54m on MWIG as per the DORA we only received R28m for the year under review. All the other grants were received and spent in full.

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5.2

GRANTS

Not applicable to ANDM

| Grants Received From Sources Other Than Division of Revenue Act (DoRA) | | | | | | |
|--|---------------------|---------------------|-------------------------------|-----------------------|--|--|
| Details of Donor | Actual Grant Year 0 | Actual Grant Year 1 | Year 1 Municipal Contribution | Date Grant terminates | Date Municipal contribution terminates | Nature and benefit from the grant received, include description of any contributions in kind |
| Parastatals | | | | | | |
| A - "Project 1" | | | | | | |
| A - "Project 2" | | | | | | |
| B - "Project 1" | | | | | | |
| B - "Project 2" | | | | | | |
| Foreign Governments/Development Aid Agencies | | | | | | |
| A - "Project 1" | | | | | | |
| A - "Project 2" | | | | | | |
| B - "Project 1" | | | | | | |
| B - "Project 2" | | | | | | |
| Private Sector / Organisations | | | | | | |
| A - "Project 1" | | | | | | |
| A - "Project 2" | | | | | | |
| B - "Project 1" | | | | | | |
| B - "Project 2" | | | | | | |
| Provide a comprehensive response to this schedule | | | | | | T5.2.3 |

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

Delete Directive note once comment is complete – Use this box to provide additional information on grant benefits or conditions and reason for acceptance. Please also provide comments on grant surrendered to the National Revenue Fund with reasons that led to this.

T5.2.4

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5.3 ASSET MANAGEMENT

5.3.1 INTRODUCTION ASSET MANAGEMENT

Alfred Nzo District municipality has developed sound financial management improvement processes by implementing sound asset management practices as required by the MFMA and GRAP. As asset management is seen as being central to providing required services in a cost - effective, efficient and transparent manner.

Alfred Nzo District Municipality created a mechanism to coordinate various national initiatives for the benefit of municipality. Various mutually supporting guidelines have been aligned. These include:

- NT issued:

Asset Management Framework

Local Government Capital Asset Management Guideline

- The DPLG “Guidelines for Infrastructure Asset Management in Local Government”
- Sector specific guidelines on how asset management principles would be applied for efficient, effective and economical management of sectorial assets:

Verification and Valuation of Major Water Infrastructure Assets –

Department of Water and Forestry Affairs (DWAF);

International Infrastructure Management Manual co-authored by Institute

of Municipal Engineering of Southern Africa IMESA; and

National Infrastructure Maintenance Strategy (NIMS) managed by

Department of Public Works (DPW).

5.3.2 SCOPE

The MFMA has made NT responsible for providing support for the implementation of the Act, the setting of standards and guidelines as well as building capacity. This guideline is aimed at supporting the implementation of the MFMA, specifically, section 63. The asset management requirements include:

Key asset management functions such as:

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- *safeguarding assets,*
- *maintaining assets,*
- *Establishing and maintaining a management, accounting and information system that accounts for the assets of the municipality;*
- *Asset valuation principles in accordance with GRAP;*
- *Establishing and maintaining systems of internal controls over assets;*
- *Establishing and maintaining asset registers;*
- *Clarifying responsibilities and accountabilities for the asset management process.*

The accounting and reporting principles governing capital assets are covered in more detail in standard specific guidelines and should be referred to in conjunction with the Local Government Capital Asset Management Guideline (LGCAMG). Examples of accounting standards that cover assets are:

- GRAP 17 on Property, Plant & Equipment (PPE)
- GRAP 16 on Investment Properties
- GRAP 102 on Intangible Assets
- GRAP 100 on Non-current Assets Held for Sale and Discontinued Operations
- GRAP 101 on Agricultural Activities
- IAS 36 on Impairment of Assets.

Other relevant accounting standards are:

- GRAP 12 on Inventories
- GRAP 11 on Construction Contracts.

This guideline is based on the currently promulgated standards and policies and therefore does not discuss in detail future developments in the field of current cost accounting and regular revaluations of assets to current replacement values.

ANDM, has implemented these policies and standards, an asset management policy that is in line with all these requirements has been implemented. The policy is used as a guide to addresses the first essential steps in asset management relating to the identification, recognition and recording of all existing assets and new acquisitions. This culminates in the establishment of credible and accurate data bases in asset registers that facilitates the implementation of Section 63 of the MFMA.

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5.3.3 STATUTORY FRAMEWORK

The statutory framework for this Guideline is:

- The Constitution of the Republic of South Africa, 1996
- Municipal Systems Act, 2000
- Municipal Finance Management Act, 2003.

The Constitution's prime mandate for Local Government is that services are provided in a sustainable manner. (Section 152)

The MSA in sections 4(2)(d) states that a municipality has the duty to –

- strive to ensure that municipal services are provided to the local community in a financially and environmentally sustainable manner.

The Municipality integrated all the above requirements in the Asset Management policy and its reviewed annually to ensure continued compliance to the ever changing legislative frame.

5.3.4 ASSET MANAGEMENT IMPLEMENTATION

National Treasury (NT) provides standards and guidance on the financial aspects of asset management. NT further provides principles of good asset management based on best practice and the implementation thereof by municipalities. Key to the implementation is the establishment of complete and reliable asset registers. ANDM compiled an asset register based on these guidelines as well as GRAP statements. The Unit continues to support

There is a link between strategic planning, capital budgets, operating budgets and asset management plans, which informs the Integrated Development Plan (IDP) processes. It also demonstrates that all asset management issues and their management are underpinned by the IDP and Budgets.

The following table illustrates the three largest capital assets bought during the financial year, they formed additions for the financial year to the asset register. These assets are part of the two capital water projects that were completed during the financial year.

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| TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0 | | | | |
|---|--|----------------|----------------|----------------|
| Asset 1 | | | | |
| Name | Gubhuzi Water Reticulation-Civil Structure-Pipes-110mm_1 | | | |
| Description | Reticulation Pipeline | | | |
| Asset Type | Reticulation Pipeline | | | |
| Key Staff Involved | Mr Gqiba - WSA Manager | | | |
| Staff Responsibilities | Safe guarding of the assets | | | |
| Asset Value | Year -3 | Year -2 | Year -1 | Year 0 |
| | R 3 958 744.54 | R 3 958 824.31 | R 3 958 904.07 | R 3 958 983.84 |
| Capital Implications | R 3 958 983.84 | | | |
| Future Purpose of Asset | Supply water | | | |
| Describe Key Issues | None | | | |
| Policies in Place to Manage Asset | | | | |
| Asset 2 | | | | |
| Name | Siqhingeni Reservoir-Civil Structure | | | |
| Description | Pipework and Fittings | | | |
| Asset Type | Reservoir | | | |
| Key Staff Involved | Mr Gqiba - WSA Manager | | | |
| Staff Responsibilities | Safe guarding of the assets | | | |
| Asset Value | Year -3 | Year -2 | Year -1 | Year 0 |
| | R 3 412 507.37 | R 3 412 587.13 | R 3 412 666.90 | R 3 412 746.67 |
| Capital Implications | R 3 412 746.67 | | | |
| Future Purpose of Asset | Supply water | | | |
| Describe Key Issues | None | | | |
| Policies in Place to Manage Asset | Assets Management Policy | | | |
| Asset 3 | | | | |
| Name | Siqhingeni Borehole-Electrical Plant--Distribution Board_2 | | | |
| Description | Pipework and Fittings | | | |
| Asset Type | Bulk Supply | | | |
| Key Staff Involved | Mr Gqiba - WSA Manager | | | |
| Staff Responsibilities | Safe guarding of the assets | | | |
| Asset Value | Year -3 | Year -2 | Year -1 | Year 0 |
| | R 3 011 321.40 | R 3 011 401.17 | R 3 011 480.93 | R 3 011 560.70 |
| Capital Implications | R 3 011 560.70 | | | |
| Future Purpose of Asset | Supply water | | | |
| Describe Key Issues | None | | | |
| Policies in Place to Manage Asset | Assets Management Policy | | | |
| T 5.3.2 | | | | |

T 5.3.2

The Municipality is currently implementing a number of capital projects and these are still in the construction phase, and have been recorded under Assets under construction (AUC), when these projects are completed, all the project costs are unbundled and assets are recorded in the asset register. The municipality has developed sound financial controls to ensure that the asset register is complete.

Some of the infrastructure assets of the municipality are old, these assets are maintained but there are some that need to be replaced. The municipality is in the process of engaging a service provider to assist the Municipality in the drafting of the Asset Replacement /maintenance Plan. The plan will ensure that assets are all reviewed and replaced where necessary.

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The table illustrates the repairs and maintenance budget and costs incurred by the municipality in the current financial year.

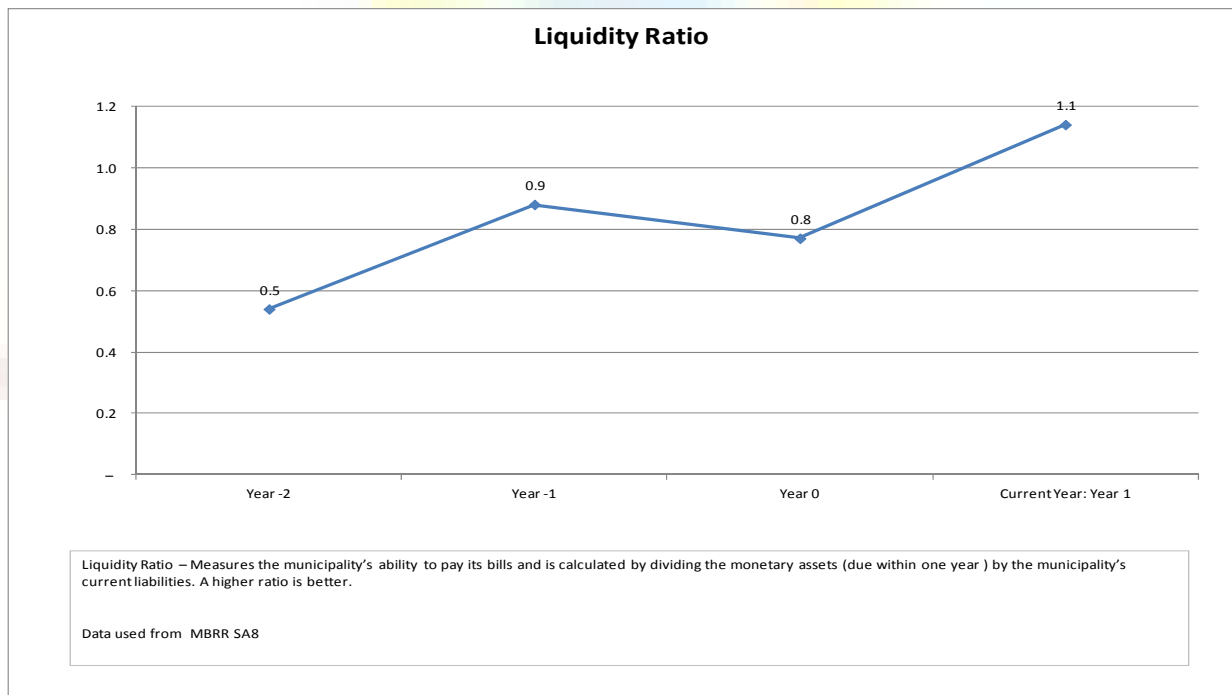
| Repair and Maintenance Expenditure: Year 0 | | | | |
|--|-----------------|-------------------|---------------|-----------------|
| R' 000 | | | | |
| | Original Budget | Adjustment Budget | Actual | Budget variance |
| Repairs and Maintenance Expenditure | 31 500 000.00 | 37 492 938.00 | 29 526 529.00 | 7% |
| T 5.3.4 | | | | |

Currently the municipality has budget for 3,7 percent on repairs and maintenance against the total infrastructure assets. Assets management is central to proving services in a cost-effective, efficient and transparent manner. In order to maximize the service potential of existing assets and to ensure that they are appropriately used, maintained, safeguarded and that risks of disruptions in service delivery are mitigated, ANDM has to increase the maintenance budget to accomplish objectives illustrated above.

T5.3.3

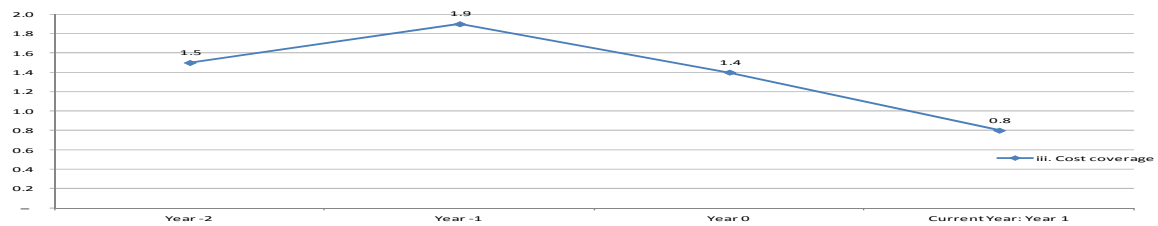
T5.3.4.1

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



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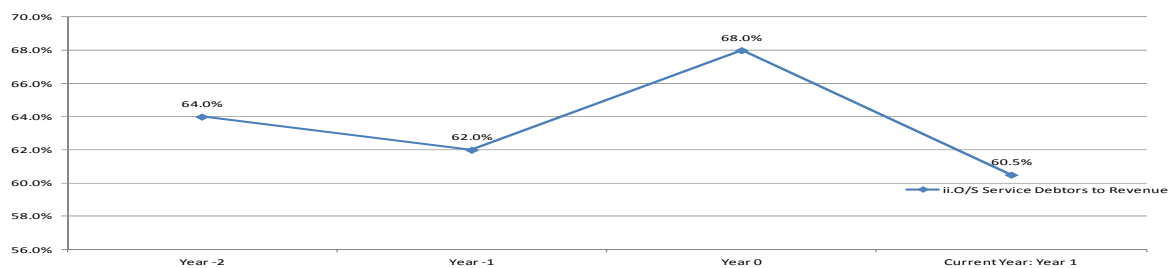
Cost Coverage



Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRR SA8

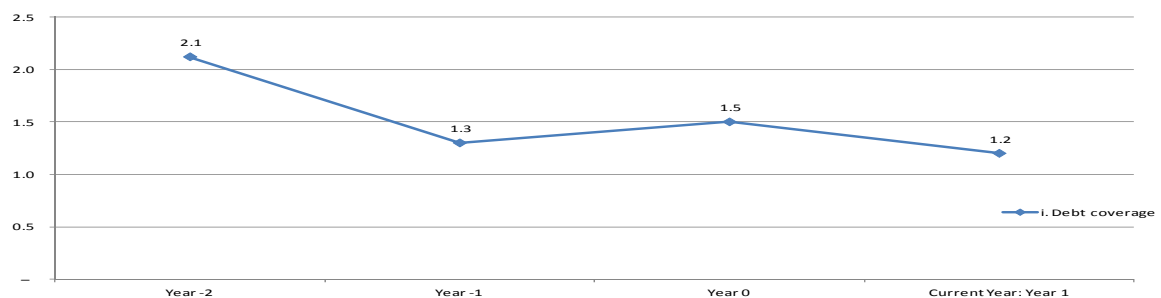
Total Outstanding Service Debtors



Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

Data used from MBRR SA8

Debt Coverage

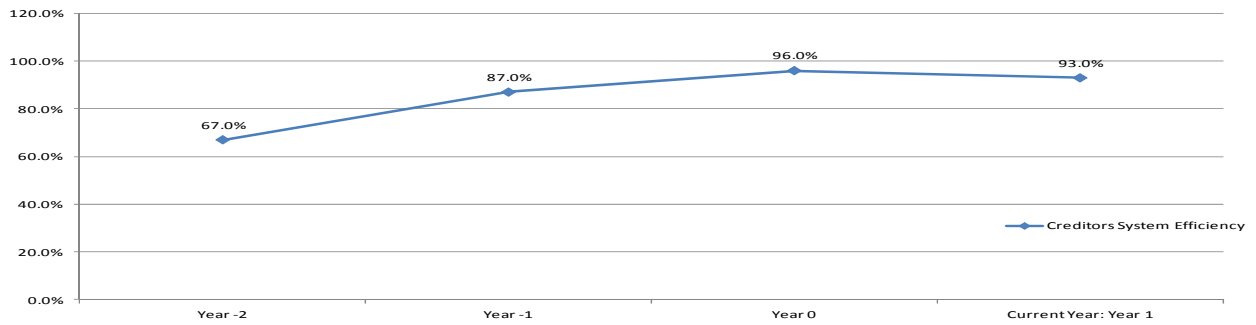


Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

Data used from MBRR SA8

CHAPTER 5 – FINANCIAL PERFORMANCE

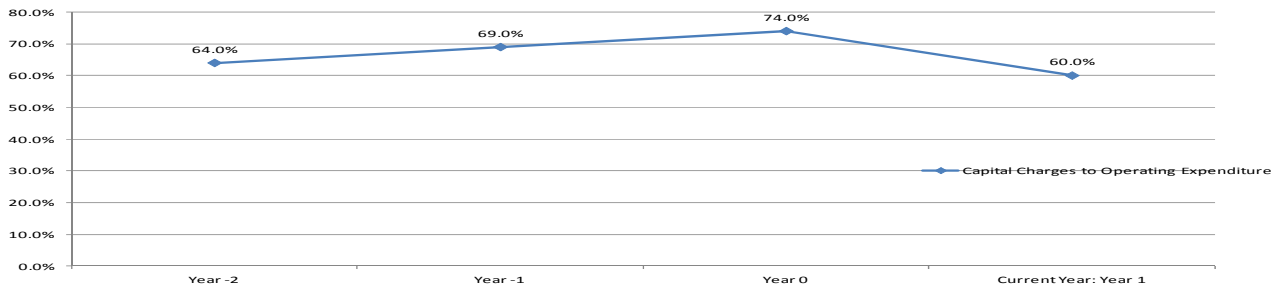
Creditors System Efficiency



Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

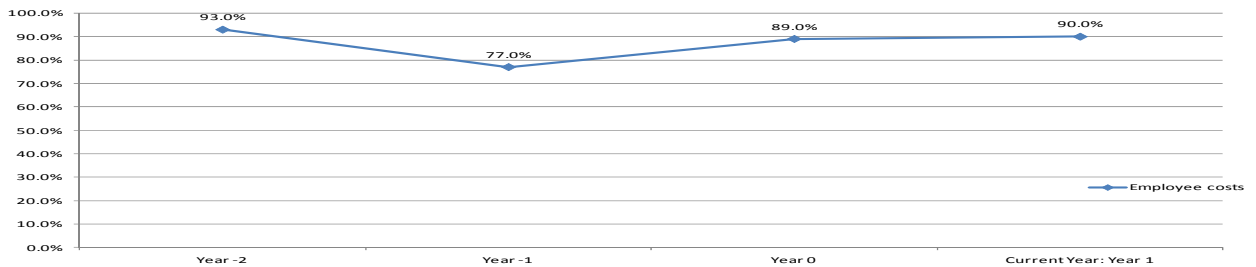
Capital Charges to Operating Expenditure



Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

Employee Costs

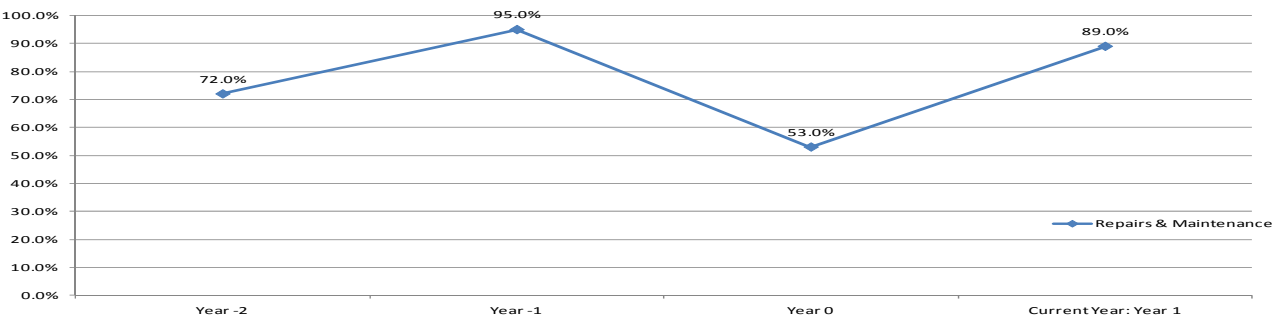


Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

CHAPTER 5 – FINANCIAL PERFORMANCE

Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

Data used from MBRR SA8



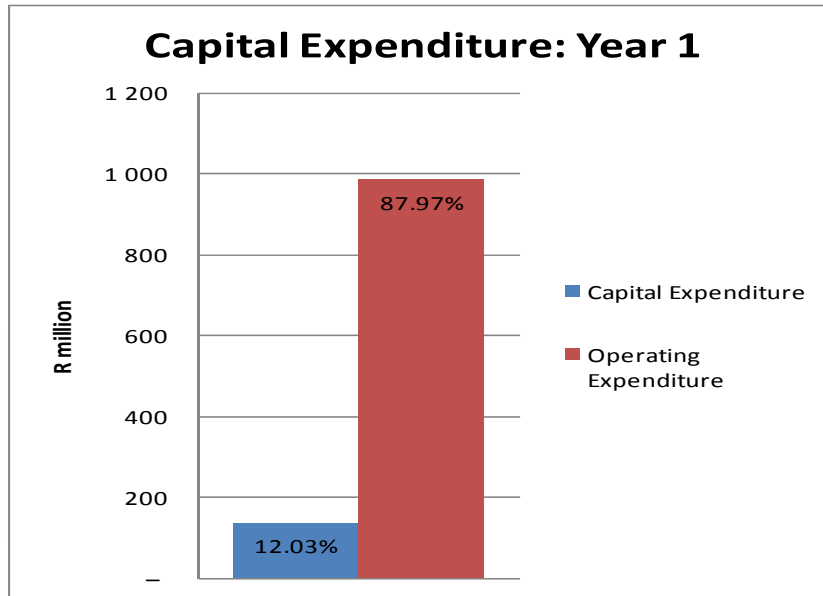
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CHAPTER 5 – FINANCIAL PERFORMANCE

B: SPENDING AGAINST CAPITAL BUDGET

5.5

CAPITAL EXPENDITURE



5.6

SOURCES OF FINANCE

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CHAPTER 5 – FINANCIAL PERFORMANCE

| Capital Expenditure - Funding Sources: Year -1 to Year 0 | | | | | | |
|--|--------------------|----------------------|--------------------|--------------------|-------------------------------|---------------------------|
| R' 000 | | | | | | |
| Details | Year -1 | Year 0 | | | | |
| | Actual | Original Budget (OB) | Adjustment Budget | Actual | Adjustment to OB Variance (%) | Actual to OB Variance (%) |
| Source of finance | | | | | | |
| External loans | 26 746 763.00 | 8 661 975.00 | 8 661 975.00 | 8 661 975.00 | 0.00% | 0.00% |
| Public contributions and donations | - | - | - | - | - | - |
| Grants and subsidies | 735 992 315 | 819 940 587 | 819 940 587 | 819 940 587 | 0.00% | 0.00% |
| Other | - | - | - | - | - | - |
| Total | 762 739 078 | 828 602 562 | 828 602 562 | 828 602 562 | 0.00% | 0.00% |
| Percentage of finance | | | | | | |
| External loans | 3.5% | 1.0% | 1.0% | 1.0% | 0.00% | 0.00% |
| Public contributions and donations | - | - | - | - | - | - |
| Grants and subsidies | 96.5% | 99.0% | 99.0% | 99.0% | 0.00% | 0.00% |
| Other | - | - | - | - | - | - |
| Capital expenditure | | | | | | |
| Water and sanitation | 354 885 000 | 357 363 000 | 367 363 000 | 367 363 000 | 2.80% | 2.80% |
| Electricity | - | - | - | - | - | - |
| Housing | - | 6 827 261.00 | 6 827 261.00 | 6 827 261.00 | 0.00% | 0.00% |
| Roads and storm water | - | - | - | - | - | - |
| Other | - | - | - | - | - | - |
| Total | 354885000 | 364190261 | 374190261 | 374190261 | 2.80% | 2.80% |
| Percentage of expenditure | | | | | | |
| Water and sanitation | 100.0% | 98.1% | 98.2% | 98.2% | 100.0% | 100.0% |
| Electricity | - | - | - | - | - | - |
| Housing | 0.0% | 1.9% | 1.8% | 1.8% | 0.0% | 0.0% |
| Roads and storm water | - | - | - | - | - | - |
| Other | - | - | - | - | - | - |

T5.6.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

| CAPITAL EXPENDITURE OF 5 LARGEST PROJECTS* | | | | R'000 | |
|--|----------------------|-------------------|--------------------|-------------------------------|-------------------------|
| Name of Project | Current Year: Year 1 | | | Variance Current Year: Year 1 | |
| | ORIGINAL BUDGET | ADJUSTMENT BUDGET | ACTUAL EXPENDITURE | ORIGINAL VARIANCE (%) | ADJUSTMENT VARIANCE (%) |
| A - UMZIMVUBU WARD 13 PROV CAP EXP | 66 500 000 | 103 700 000 | 85 640 459 | -29% | 17% |
| B - CABAZANA WATER - MIG PROV CAP | 13 000 000 | 28 000 000 | 27 340 269 | -110% | 2% |
| C - RBIG MATATIELE PROJECT | 60 000 000 | 25 000 000 | 24 302 169 | 59% | 3% |
| D - THOLAMELA WATER SUPPLY - DBSA | 15 500 000 | 24 000 000 | 23 956 003 | -55% | 0% |
| E - GREATER BIZANA - DBSA | 61 000 000 | 37 098 601 | 18 344 190 | 70% | 51% |

CHAPTER 5 – FINANCIAL PERFORMANCE

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

Water Backlogs: 63% and this percentage applies to 103790 households

Sanitation backlogs 33% and this percentage applies to 59351 households

ANDM water services backlogs are relatively high and this is due to immigration into the district from Lesotho. Some backlogs are due to reverse backlogs which emanates mainly from population growth and growing need for development and basic services.

The water infrastructure that is aging and dilapidated are budgeted under refurbishment of water infrastructure. The projected budget for refurbishment for year 1 is R10 000 000.00.

| Service Backlogs as at 30 June Year 0 | | | | |
|--|---------------------------------------|-------|--|---------|
| | *Service level above minimum standard | | **Service level below minimum standard | |
| | No. HHs | % HHs | No. HHs | % HHs |
| Water | 74557 | 37 | 16113 | 10 |
| Sanitation | 119157 | 67 | 59351 | 33 |
| Electricity | | % | | % |
| Waste management | | % | | % |
| Housing | | % | | % |
| % HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements. | | | | T 5.8.2 |

CHAPTER 5 – FINANCIAL PERFORMANCE

C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.9 CASH FLOW

| Description | Year -1 | Current: Year 0 | | |
|--|------------------|------------------|------------------|------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Actual |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Receipts | | | | |
| Ratepayers and other | 17 479 | 21 535 | 28 346 | 10 077 |
| Rental of Facilities and Equipment | 157 | 444 | 233 | 347 |
| Interest | 9 608 | 14 676 | 19 719 | 13 661 |
| Government Grants and subsidies | 723 897 | 902 108 | 855 987 | 815 860 |
| Public Contributions and Donations | 82 | 25 | 25 | 25 |
| Other Receipts | 7 516 | 24 271 | 28 026 | 870 |
| Vat Refund | 59 296 | 46 401 | 46 401 | 46 401 |
| | 818 035 | 1 009 459 | 978 736 | 887 242 |
| Payments | | | | |
| Employee costs | 155 650 | 152 962 | 196 543 | 181 310 |
| Suppliers | 338 256 | 170 685 | 262 377 | 159 534 |
| Finance Costs | 1 141 | 2 380 | 1 726 | 1 562 |
| Other payments | 22 | 20 000 | 15 000 | – |
| Bulk Purchases | 14 359 | 3 200 | 3 500 | 3 675 |
| Repairs and maintenance | 39 219 | 37 563 | 40 718 | 47 873 |
| Contracted Services | 29 785 | 29 785 | 29 785 | 28 086 |
| | 578 430 | 416 574 | 549 649 | 422 040 |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | 239 605 | 592 885 | 429 087 | 465 202 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Receipts | | | | |
| Purchase of PPE | (404 608) | (582 000) | (582 000) | (581 383) |
| Proceeds on disposal of PPE | 1 604 | 9 | 9 | 9 |
| Purchase of Intangible assets | (63) | (167) | (167) | (167) |
| Proceeds from the sale of financial assets | 101 611 | – | – | – |
| Increase in call investments | – | 56 594 | 56 594 | 56 594 |
| Increase in investments | – | 18 354 | 18 354 | 18 354 |
| Payments | | | | |
| Capital assets | | | | |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | (301 456) | (507 209) | (507 209) | (506 593) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Receipts | | | | |
| Movement in Long-term loans | (2 629) | (19 531) | (19 531) | (19 531) |
| Finance Lease payments | – | (7 083) | (7 083) | (7 083) |
| Payments | | | | |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | (2 629) | (26 614) | (26 614) | (26 614) |
| NET INCREASE/ (DECREASE) IN CASH HELD | (64 480) | 59 062 | (104 736) | (68 004) |
| Cash/cash equivalents at the year begin: | 209 261 | 100 000 | 239 000 | 144 780 |
| Cash/cash equivalents at the year end: | 144 780 | 159 062 | 134 264 | 76 776 |
| Source: MBRR A7 | | | | T 5.9.1 |

CHAPTER 5 – FINANCIAL PERFORMANCE

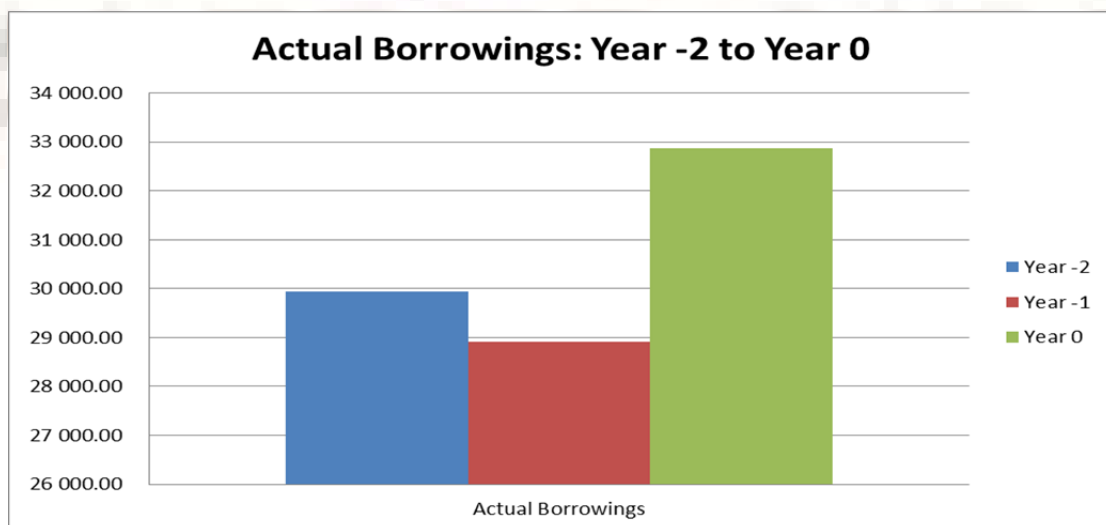
5.10

BORROWING AND INVESTMENTS

The Municipality had two loans with DBSA for the construction of Infrastructure assets. The two loans were obtained in 2004 and 2005. During the financial year one of the loans was settled and no further loans were obtained by the Municipality, except for the finance lease agreement that the Municipality entered into during the current financial year. The finance lease was for trucks that are used for water and sanitation.

| Actual Borrowings: Year -2 to Year 0 | | | |
|--|------------------|------------------|------------------|
| | R' 000 | | |
| Instrument | Year -2 | Year -1 | Year 0 |
| Municipality | 29 933.00 | 28 904.00 | 32 867.00 |
| Long-Term Loans (annuity/reducing balance) | - | - | - |
| Long-Term Loans (non-annuity) | 29 933 | 28 904 | 9 453 |
| Local registered stock | - | - | - |
| Instalment Credit | - | - | - |
| Financial Leases | - | - | 23 414 |
| PPP liabilities | - | - | - |
| Finance Granted By Cap Equipment Supplier | - | - | - |
| Marketable Bonds | - | - | - |
| Non-Marketable Bonds | - | - | - |
| Bankers Acceptances | - | - | - |
| Financial derivatives | - | - | - |
| Other Securities | - | - | - |
| Municipality Total | 29 933 | 28 904 | 32 867 |
| Municipal Entities | | | |
| Long-Term Loans (annuity/reducing balance) | - | - | - |
| Long-Term Loans (non-annuity) | - | - | - |
| Local registered stock | - | - | - |
| Instalment Credit | - | - | - |
| Financial Leases | - | - | - |
| PPP liabilities | - | - | - |
| Finance Granted By Cap Equipment Supplier | - | - | - |
| Marketable Bonds | - | - | - |
| Non-Marketable Bonds | - | - | - |
| Bankers Acceptances | - | - | - |
| Financial derivatives | - | - | - |
| Other Securities | - | - | - |
| Entities Total | - | - | - |

T 5.10.2



CHAPTER 5 – FINANCIAL PERFORMANCE

The following table illustrates the investments made by the Municipality in the year 0 – 2014/2015, year 1- 2013/2014 and year 2 – 2012/2013 financial years.

| Municipal and Entity Investments | | | |
|--|----------------|----------------|---------------|
| Investment* type | Year -2 | Year -1 | Year 0 |
| | Actual | Actual | Actual |
| Municipality | | | |
| Securities - National Government | | | |
| Listed Corporate Bonds | | | |
| Deposits - Bank | 151 998 594.00 | 123 926 597.00 | 89 079 968.00 |
| Deposits - Public Investment Commissioners | | | |
| Deposits - Corporation for Public Deposits | | | |
| Bankers Acceptance Certificates | | | |
| Negotiable Certificates of Deposit - Banks | | | |
| Guaranteed Endowment Policies (sinking) | | | |
| Repurchase Agreements - Banks | | | |
| Municipal Bonds | | | |
| Other | | | |
| Municipality sub-total | 151 998 594.00 | 123 926 597.00 | 89 079 968.00 |
| Municipal Entities | | | |
| Securities - National Government | | | |
| Listed Corporate Bonds | | | |
| Deposits - Bank | | | |
| Deposits - Public Investment Commissioners | | | |
| Deposits - Corporation for Public Deposits | | | |
| Bankers Acceptance Certificates | | | |
| Negotiable Certificates of Deposit - Banks | | | |
| Guaranteed Endowment Policies (sinking) | | | |
| Repurchase Agreements - Banks | | | |
| Other | | | |
| Entities sub-total | 0 | 0 | 0 |
| Consolidated total: | 151998594 | 123926597 | 89079968 |
| | | | T 5.10.4 |

CHAPTER 5 – FINANCIAL PERFORMANCE

D: OTHER FINANCIAL MATTERS

5.11 SUPPLY CHAIN MANAGEMENT

Supply chain management policy

Alfred Nzo District municipality has an approved supply chain management policy which is in line with section 111 of MFMA and the policy is being reviewed every year in line with prescribed regulations and policies that give guidance to supply chain management policies.

Councillors barred from serving on municipal tender committees

117 of MFMA, required that No councillor of any municipality may be a member of a municipal bid committee or any other committee evaluating or approving tenders, quotations, and as such Alfred Nzo Supply chain management policy do comply with section 117 of MFMA.

The municipality complied with the above regulation and there were no Councillors of ANDM that were members of the municipal bid committee or any other committee evaluating or approving tenders, quotations

Competency levels of officials involved in municipal supply chain management

119. (1) The accounting officer and all other officials of a municipality or municipal entity involved in the implementation of the supply chain management policy of the municipality or municipal entity must meet the prescribed competency levels.

(2) A municipality and a municipal entity must for the purposes of subsection (1) provide resources or opportunities for the training of officials referred to in that subsection to meet the prescribed competency levels.

(3) The National Treasury or a provincial treasury may assist municipalities and municipal entities in the training of officials referred to in subsection (1).

Attached is the competence levels of all Supply Chain Management officials:

-

- **Non- Compliance with SCM Policy and Regulations Also as per Auditor General 2014/ 2015 Audit Report.**

-

- Whilst the municipality is enforcing compliance with implementation of SCM policy and SCM Regulations the following challenges have been experienced:-

-

-

| Challenges | Corrective Measure |
|--|---|
| Deviations that are approved by ANDM and Council which does not meet SCM Policy and regulations. | Checklist should be completed to ensure all requirements have been met for a valid deviation prior to approval. |
| Terms of reference are submitted late by respective project Managers as per approved procurement Plan. | Implementation of procurement should be added as a KPI for all respective Managers on the performance agreements. |
| None sitting of Bid Committees result in delays on appointment of service providers. | All bid Committee Member should include on their performance agreement, their sitting on respective committee |

CHAPTER 5 – FINANCIAL PERFORMANCE

| | |
|--|--|
| Shortage of personnel within SCM, organogram not fully populated. | All Budgeted post on approved Organogram me should be filled. And those not budgeted for, should be budgeted and filled. |
| None response from National Treasury on approval of irregular expenditure incurred as per MFA circular 68. | Engagement of Provisional and National Treasury to assist on approval on Irregular Expenditure incurred during the previous years. |
| Irregular expenditure, fruitless and waste full expenditure, is not recovered from respective officials. | Control needs to be in place and communicated to all staff on consequences and step to be followed to recover such losses. |
| Shortage of personnel within SCM, organogram not fully populated. Database Clerk was approved but not budgeted approved. | Database Clerk should be budgeted for and be filled. |

5.12 GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

The municipality complies with GRAP standards in maintaining its financial accounts. Accounts are being prepared in accordance with the Standards of Generally Recognised Accounting Practice including any interpretations, guidelines and directives issued by the Accounting Standards Board. The municipality is ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment.

There were no instances where the municipality has deviated from the GRAP standards.

CHAPTER 5 – FINANCIAL PERFORMANCE

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA S45 states that the results of performance measurement... must be audited annually by the Auditor-General.

The municipality has received a qualified audit opinion, for the period in which the annual report relates. The bases for the qualified opinion are as follows:

Irregular expenditure

Property, Plant and Equipment

Payables from exchanges transactions

Commitments

Unauthorized expenditure

Statement of comparison of budget and actual amounts

Aggregation of immaterial uncorrected misstatements

Financial Instruments

Contingent liabilities

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CHAPTER 6 AUDITOR GENERALS AUDIT FINDINGS

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 1:

Auditor-general's has a responsibility to express an opinion on the consolidated and separate financial statements based on audit performed. The audit was conducted in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that auditors comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated and separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and separate financial statements.

The audit evidence that was obtained was sufficient and appropriate to provide a basis for **qualified audit opinion**.

ANDM will draw a detailed and comprehensive audit turnaround strategy and plan. Our intention and mandate is to develop and promote high quality audit turnaround strategy with clearly identified and defined audit action plans and targets with realistic timeframes. This will include departmental audit report analysis and action plan and on most significant risk areas, improvement and enhancement quality of ANDM annual financial statements and lead schedule. We will implement informative and relevant actions and encourage the Accounting Officer to appropriately perform field tests of key audit strategy through the office of ANDM internal audit.

During the January 2016 municipal strategic session, the accounting officer will encourage one municipal global solution to the perceived ANDM municipal audit outcomes; coordinated approach and consistency in implementation of audit turnaround will mitigate and improve our next audit report.

T6.0.1

Signed (Chief financial Officer)..... Dated.....
T6.2.5

CHAPTER 6 AUDITOR GENERALS AUDIT FINDINGS

A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS

6.1 AUDITOR GENERAL REPORTS YEAR 0 (PREVIOUS YEAR)

| Auditor-General Report on Financial Performance Year 0* | |
|---|---|
| Status of audit report: | |
| Non-Compliance Issues | Remedial Action Taken |
| Supply Chain Management | Compliance check list was developed and implemented |
| Governance structure | Municipal Calender was developed and implemented |
| Performance management | PMS is in place |
| <i>Note: * The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Year 0.</i> | |
| T 6.2.1 | |

B: AUDITOR-GENERAL OPINION YEAR 1 (CURRENT YEAR)

| Auditor-General Report on Financial Performance: Year -1 | |
|--|---|
| Audit Report Status*: | Qualified Audit opinion |
| Non-Compliance Issues | Remedial Action Taken |
| Supply Chain Management | Compliance check list was developed and implemented |
| Governance structure | Municipal Calender was developed and implemented |
| Performance management | PMS is in place |
| <i>Note: *The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)</i> | |
| T 6.1.1 | |

| Auditor-General Report on Service Delivery Performance: Year 0* | |
|---|-----------------------|
| Status of audit report**: | Qualified |
| Non-Compliance Issues | Remedial Action Taken |
| Usefulness criteria | Action Plan developed |
| Reliability criteria | Action Plan developed |
| <i>* This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Service Delivery Performance Year 0</i> | |
| <i>** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.</i> | |
| T 6.2.2 | |



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APPENDICES

GLOSSARY

| | |
|------------------------------------|--|
| Accessibility indicators | Explore whether the intended beneficiaries are able to access services or outputs. |
| Accountability documents | Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports. |
| Activities | The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”. |
| Adequacy indicators | The quantity of input or output relative to the need or demand. |
| Annual Report | A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General. |
| Approved Budget | The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive. |
| Baseline | Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period. |
| Basic municipal service | A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment. |
| Budget year | The financial year for which an annual budget is to be approved – means a year ending on 30 June. |
| Cost indicators | The overall cost or expenditure of producing a specified quantity of outputs. |
| Distribution indicators | The distribution of capacity to deliver services. |
| Financial Statements | Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed. |
| General Key performance indicators | After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally. |
| Impact | The results of achieving specific outcomes, such as reducing poverty and creating jobs. |
| Inputs | All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings. |
| Integrated Development Plan (IDP) | Set out municipal goals and development plans. |
| National Key performance areas | Service delivery & infrastructure Economic development Municipal transformation and institutional development Financial viability and management Good governance and community participation |
| Outcomes | The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are “what we wish to achieve”. |

APPENDICES

| | |
|---|---|
| Accessibility indicators | Explore whether the intended beneficiaries are able to access services or outputs. |
| Outputs | The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area. |
| Performance Indicator | Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered) |
| Performance Information | Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure. |
| Performance Standards: | The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor. |
| Performance Targets: | The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period. |
| Service Delivery Budget Implementation Plan | Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included. |
| Vote: | One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned |

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APPENDICES

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

| Councillors, Committees Allocated and Council Attendance | | | | | |
|---|-----------------------------|----------------------|------------------------------------|---|---|
| Council Members | Full Time / Part Time | Committees Allocated | *Ward and/ or Party Represented | Percentage Council Meetings Attendance | Percentage Apologies for non- attendance |
| | FT/PT | | | % | % |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Note: * Councillors appointed on a proportional basis do not have wards allocated to them | | | | | T A |

CONCERNING TA

A spreadsheet exists to compile attendance data

Delete Directive note before publication

TA.1

APPENDICES

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

[illegible]

APPENDICES

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

[illegible]

APPENDICES

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

| Municipal / Entity Functions | | |
|---|---|--|
| MUNICIPAL FUNCTIONS | Function Applicable to Municipality (Yes / No)* | Function Applicable to Entity (Yes / No) |
| Constitution Schedule 4, Part B functions: | | |
| Air pollution | Yes | |
| Building regulations | No | |
| Child care facilities | No | |
| Electricity and gas reticulation | No | |
| Fire-fighting services | Yes | |
| Local tourism | No | |
| Municipal airports | No | |
| Municipal planning | Yes | |
| Disaster Management | Yes | |
| Thusong Services | Yes | |
| Customer Care | Yes | |
| Institutional and Social Development | Yes | |
| Fire safety, prevention and fighting services | Yes | |
| Sports, Arts, Culture, Recreation and Heritage | Yes | |
| Municipal Health Services | Yes | |
| Local Economic Development | Yes | |
| Integrated Development Planning | Yes | |
| Geographic Information System | Yes | |
| Dam Management | Yes | |
| Environmental Management | | |
| Municipal public transport | | |
| Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law | | |
| Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto | | |
| Storm-water management systems in built-up areas | | |
| Trading regulations | | |
| Water and sanitation services (including rural and urban) | | |
| Beaches and amusement facilities | No | |
| Billboards and the display of advertisements in public places | No | |
| Cemeteries, funeral parlours and crematoria | No | |
| Cleansing | No | |
| Control of public nuisances | No | |
| Control of undertakings that sell liquor to the public | No | |

APPENDICES

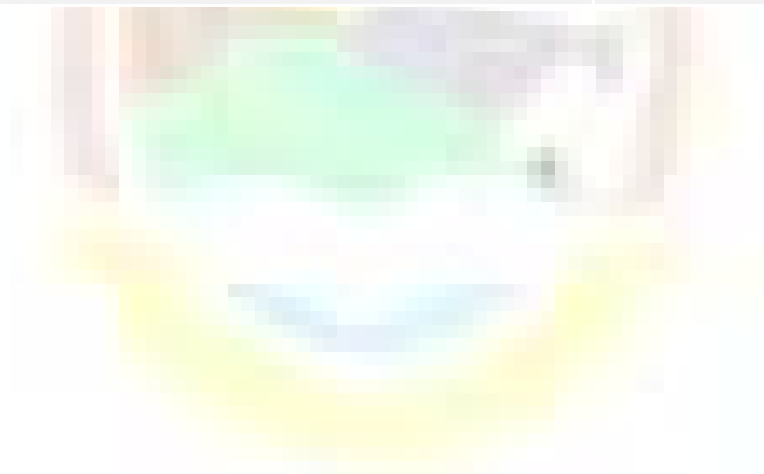
| Municipal / Entity Functions | | |
|---|---|--|
| MUNICIPAL FUNCTIONS | Function Applicable to Municipality (Yes / No)* | Function Applicable to Entity (Yes / No) |
| Facilities for the accommodation, care and burial of animals | No | |
| Fencing and fences | No | |
| Licensing of dogs | No | |
| Licensing and control of undertakings that sell food to the public | No | |
| Local amenities | No | |
| Local sport facilities | No | |
| Markets | No | |
| Municipal abattoirs | No | |
| Municipal parks and recreation | No | |
| Municipal roads | No | |
| Noise pollution | Yes | |
| Pounds | No | |
| Public places | No | |
| Refuse removal, refuse dumps and solid waste disposal | No | |
| Street trading | No | |
| Street lighting | No | |
| Traffic and parking | No | |
| * If municipality: indicate (yes or No); * If entity: Provide name of entity | | T D |

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APPENDICES

APPENDIX E – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 1

| Date | Committee Recommendation | Recommendation Adopted Yes or No Comment if No |
|------|--------------------------|---|
| | | |
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APPENDICES

APPENDIX F – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

| Name of Service Provider | Description of Services Rendered | Start Date | Expiry Date | Project Manager | Contract Value |
|--------------------------|----------------------------------|------------|-------------|-----------------|----------------|
| | | | | | |
| | | | | | |
| | | | | | |
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Public Private Partnerships Entered into

| Name and Description of Project | Name of Partners | Start Date | Expiry Date | Project Manager | Contract Value |
|---------------------------------|------------------|------------|-------------|-----------------|----------------|
| | | | | | |
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APPENDIX G – DISCLOSURES OF FINANCIAL INTERESTS

| Position | Name | Description of Financial Interest |
|-----------------|------|-----------------------------------|
| Executive Mayor | | |
| Members of EXCO | | |
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APPENDICES

Councillors

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| Municipal Manager | | |
| Executive Manager Corporate Services | | |
| Executive Manager IDMS | | |
| Executive Manager Community Services | | |
| Executive Manager Planning & Economic Development | | |
| Chief Financial Officer | | |

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APPENDICES

APPENDIX H: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX H (I): REVENUE COLLECTION PERFORMANCE BY VOTE

| Revenue Collection Performance by Vote | | | | | | |
|--|--------|----------------------|-----------------|--------|-----------------|--------------------|
| Vote Description | Year 0 | Current Year: Year 1 | | | Year 1 Variance | |
| | Actual | Original Budget | Adjusted Budget | Actual | Original Budget | Adjustments Budget |
| Example 1 - Vote 1 | | | | | | |
| Example 2 - Vote 2 | | | | | | |
| Example 3 - Vote 3 | | | | | | |
| Example 4 - Vote 4 | | | | | | |
| Example 5 - Vote 5 | | | | | | |
| Example 6 - Vote 6 | | | | | | |
| Example 7 - Vote 7 | | | | | | |
| Example 8 - Vote 8 | | | | | | |
| Example 9 - Vote 9 | | | | | | |
| Example 10 - Vote 10 | | | | | | |
| Example 11 - Vote 11 | | | | | | |
| Example 12 - Vote 12 | | | | | | |
| Example 13 - Vote 13 | | | | | | |
| Example 14 - Vote 14 | | | | | | |
| Example 15 - Vote 15 | | | | | | |
| Total Revenue by Vote | - | - | - | - | - | - |
| Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3 | | | | | | T K.1 |

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APPENDIX H (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

| Revenue Collection Performance by Source | | | | | | |
|--|----------------|-----------------|--------------------|----------------|-----------------|--------------------|
| Description | Year 0 | Year 1 | | | Year 1 Variance | |
| | Actual | Original Budget | Adjustments Budget | Actual | Original Budget | Adjustments Budget |
| Property rates | 26,485 | 23,572 | 28,075 | 23,042 | -2.30% | -21.84% |
| Property rates - penalties & collection charges | 8,541 | 8,285 | 9,054 | 8,456 | 2.02% | -7.07% |
| Service Charges - electricity revenue | 12,355 | 10,254 | 12,478 | 13,219 | 22.43% | 5.61% |
| Service Charges - water revenue | 14,232 | 13,235 | 13,662 | 12,097 | -9.41% | -12.94% |
| Service Charges - sanitation revenue | 6,542 | 5,496 | 5,954 | 6,346 | 13.40% | 6.19% |
| Service Charges - refuse revenue | 1,865 | 1,622 | 1,865 | 1,510 | -7.41% | -23.46% |
| Service Charges - other | 5,643 | 5,530 | 5,925 | 5,304 | -4.26% | -11.70% |
| Rentals of facilities and equipment | 5,643 | 5,530 | 5,925 | 5,304 | -4.26% | -11.70% |
| Interest earned - external investments | 5,322 | 4,470 | 5,747 | 4,630 | 3.45% | -24.14% |
| Interest earned - outstanding debtors | 8,455 | 8,455 | 8,624 | 9,554 | 11.50% | 9.73% |
| Dividends received | 1,254 | 1,003 | 1,191 | 1,354 | 25.93% | 12.04% |
| Fines | 2,516 | 2,063 | 2,264 | 2,340 | 11.83% | 3.23% |
| Licences and permits | 6,846 | 6,230 | 7,256 | 6,640 | 6.19% | -9.28% |
| Agency services | 12,546 | 10,413 | 11,793 | 11,542 | 9.78% | -2.17% |
| Transfers recognised - operational | 2,355 | 2,190 | 2,425 | 2,402 | 8.82% | -0.98% |
| Other revenue | 48,542 | 40,776 | 48,542 | 46,115 | 11.58% | -5.26% |
| Gains on disposal of PPE | 4,565 | 3,698 | 4,337 | 4,291 | 13.83% | -1.06% |
| Environmental Protection | 5,649 | 4,971 | 6,157 | 4,971 | 0.00% | -23.86% |
| Total Revenue (excluding capital transfers and contributions) | 179,353 | 157,791 | 181,274 | 169,118 | 6.70% | -7.19% |
| Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4. | | | | | | T K.2 |

APPENDICES

APPENDIX I: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

| Conditional Grants: excluding MIG | | | | | | R' 000 |
|---|--------|---------------------|--------|----------|---------------------|--|
| Details | Budget | Adjust-ments Budget | Actual | Variance | | Major conditions applied by donor (continue below if necessary) |
| | | | | Budget | Adjust-ments Budget | |
| Neighbourhood Development Partnership Grant | | | | % | % | |
| | | | | % | % | |
| | | | | % | % | |
| Public Transport Infrastructure and Systems Grant | | | | % | % | |
| | | | | % | % | |
| | | | | % | % | |
| | | | | % | % | |
| Other Specify: | | | | % | % | |
| | | | | % | % | |
| | | | | % | % | |
| | | | | % | % | |
| Total | | | | % | % | |
| * This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. | | | | | | TL |

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

Delete Directive note once comment is complete – Use this box to provide additional information on grant benefits or conditions and reasons for acceptance.

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APPENDICES

APPENDIX J: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX J (I): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

| Capital Expenditure - New Assets Programme* | | | | | | | |
|---|--------|-----------------|-------------------|--------------------|-----------------------------|--------|--------|
| Description | R '000 | | | | | | |
| | Year 0 | Year 1 | | | Planned Capital expenditure | | |
| | Actual | Original Budget | Adjustment Budget | Actual Expenditure | FY + 1 | FY + 2 | FY + 3 |
| Capital expenditure by Asset Class | | | | | | | |
| Infrastructure - Total | - | - | | - | - | - | - |
| Infrastructure: Road transport - Total | - | - | | - | - | - | - |
| Roads, Pavements & Bridges | | | | | | | |
| Storm water | | | | | | | |
| Infrastructure: Electricity - Total | - | - | | - | - | - | - |
| Generation | | | | | | | |
| Transmission & Reticulation | | | | | | | |
| Street Lighting | | | | | | | |
| Infrastructure: Water - Total | - | - | | - | - | - | - |
| Dams & Reservoirs | | | | | | | |
| Water purification | | | | | | | |
| Reticulation | | | | | | | |
| Infrastructure: Sanitation - Total | - | - | | - | - | - | - |
| Reticulation | | | | | | | |
| Sewerage purification | | | | | | | |
| Infrastructure: Other - Total | - | - | | - | - | - | - |
| Waste Management | | | | | | | |
| Transportation | | | | | | | |
| Gas | | | | | | | |
| Other | | | | | | | |
| Community - Total | - | - | | - | - | - | - |
| Parks & gardens | | | | | | | |
| Sportsfields & stadia | | | | | | | |
| Swimming pools | | | | | | | |
| Community halls | | | | | | | |
| Libraries | | | | | | | |
| Recreational facilities | | | | | | | |
| Fire, safety & emergency | | | | | | | |
| Security and policing | | | | | | | |
| Buses | | | | | | | |
| Clinics | | | | | | | |
| Museums & Art Galleries | | | | | | | |
| Cemeteries | | | | | | | |
| Social rental housing | | | | | | | |
| Other | | | | | | | |

Table continued next page

APPENDICES

Table continued from previous page

| Capital Expenditure - New Assets Programme* | | | | | | | |
|---|--------|-----------------|-------------------|--------------------|-----------------------------|--------|--------|
| R '000 | | | | | | | |
| Description | Year 0 | Year 1 | | | Planned Capital expenditure | | |
| | Actual | Original Budget | Adjustment Budget | Actual Expenditure | FY + 1 | FY + 2 | FY + 3 |
| Capital expenditure by Asset Class | | | | | | | |
| Heritage assets - Total | - | - | | - | - | - | - |
| Buildings | | | | | | | |
| Other | | | | | | | |
| Investment properties - Total | - | - | | - | - | - | - |
| Housing development | | | | | | | |
| Other | | | | | | | |
| Other assets | - | - | | - | - | - | - |
| General vehicles | | | | | | | |
| Specialised vehicles | | | | | | | |
| Plant & equipment | | | | | | | |
| Computers - hardware/equipment | | | | | | | |
| Furniture and other office equipment | | | | | | | |
| Abattoirs | | | | | | | |
| Markets | | | | | | | |
| Civic Land and Buildings | | | | | | | |
| Other Buildings | | | | | | | |
| Other Land | | | | | | | |
| Surplus Assets - (Investment or Inventory) | | | | | | | |
| Other | | | | | | | |
| Agricultural assets | - | - | | - | - | - | - |
| List sub-class | | | | | | | |
| | | | | | | | |
| Biological assets | - | - | | - | - | - | - |
| List sub-class | | | | | | | |
| | | | | | | | |
| Intangibles | - | - | | - | - | - | - |
| Computers - software & programming | | | | | | | |
| Other (list sub-class) | | | | | | | |
| | | | | | | | |
| Total Capital Expenditure on new asset | - | - | | - | - | - | - |
| | | | | | | | |
| Specialised vehicles | - | - | | - | - | - | - |
| Refuse | | | | | | | |
| Fire | | | | | | | |
| Conservancy | | | | | | | |
| Ambulances | | | | | | | |

* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)

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APPENDICES

APPENDIX J (II): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

| Capital Expenditure - Upgrade/Renewal Programme* | | | | | | | |
|--|--------|-----------------|-------------------|--------------------|-----------------|--------|--------|
| Description | Year 0 | Year 1 | | | Planned Capital | | |
| | Actual | Original Budget | Adjustment Budget | Actual Expenditure | FY + 1 | FY + 2 | FY + 3 |
| Capital expenditure by Asset Class | | | | | | | |
| Infrastructure - Total | - | - | | - | - | - | - |
| Infrastructure: Road transport -Total | - | - | | - | - | - | - |
| Roads, Pavements & Bridges | | | | | | | |
| Storm water | | | | | | | |
| Infrastructure: Electricity - Total | - | - | | - | - | - | - |
| Generation | | | | | | | |
| Transmission & Reticulation | | | | | | | |
| Street Lighting | | | | | | | |
| Infrastructure: Water - Total | - | - | | - | - | - | - |
| Dams & Reservoirs | | | | | | | |
| Water purification | | | | | | | |
| Reticulation | | | | | | | |
| Infrastructure: Sanitation - Total | - | - | | - | - | - | - |
| Reticulation | | | | | | | |
| Sewerage purification | | | | | | | |
| Infrastructure: Other - Total | - | - | | - | - | - | - |
| Waste Management | | | | | | | |
| Transportation | | | | | | | |
| Gas | | | | | | | |
| Other | | | | | | | |
| Community | - | - | | - | - | - | - |
| Parks & gardens | | | | | | | |
| Sportsfields & stadia | | | | | | | |
| Swimming pools | | | | | | | |
| Community halls | | | | | | | |
| Libraries | | | | | | | |
| Recreational facilities | | | | | | | |
| Fire, safety & emergency | | | | | | | |
| Security and policing | | | | | | | |
| Buses | | | | | | | |
| Clinics | | | | | | | |
| Museums & Art Galleries | | | | | | | |
| Cemeteries | | | | | | | |
| Social rental housing | | | | | | | |
| Other | | | | | | | |
| Heritage assets | - | - | | - | - | - | - |
| Buildings | | | | | | | |
| Other | | | | | | | |
| Table continued next page | | | | | | | |

APPENDICES

Table continued from previous page

| Capital Expenditure - Upgrade/Renewal Programme* | | | | | | | |
|--|--------|-----------------|-------------------|--------------------|-----------------|--------|--------|
| R '000 | | | | | | | |
| Description | Year 0 | Year 1 | | | Planned Capital | | |
| | Actual | Original Budget | Adjustment Budget | Actual Expenditure | FY + 1 | FY + 2 | FY + 3 |
| Capital expenditure by Asset Class | | | | | | | |
| Investment properties | - | - | | - | - | - | - |
| Housing development | | | | | | | |
| Other | | | | | | | |
| Other assets | - | - | | - | - | - | - |
| General vehicles | | | | | | | |
| Specialised vehicles | | | | | | | |
| Plant & equipment | | | | | | | |
| Computers - hardware/equipment | | | | | | | |
| Furniture and other office equipment | | | | | | | |
| Abattoirs | | | | | | | |
| Markets | | | | | | | |
| Civic Land and Buildings | | | | | | | |
| Other Buildings | | | | | | | |
| Other Land | | | | | | | |
| Surplus Assets - (Investment or Inventory) | | | | | | | |
| Other | | | | | | | |
| Agricultural assets | - | - | | - | - | - | - |
| List sub-class | | | | | | | |
| | | | | | | | |
| Biological assets | - | - | | - | - | - | - |
| List sub-class | | | | | | | |
| | | | | | | | |
| Intangibles | - | - | | - | - | - | - |
| Computers - software & programming | | | | | | | |
| Other (list sub-class) | | | | | | | |
| | | | | | | | |
| Total Capital Expenditure on renewal of existing assets | - | - | | - | - | - | - |
| Specialised vehicles | - | - | | - | - | - | - |
| Refuse | | | | | | | |
| Fire | | | | | | | |
| Conservancy | | | | | | | |
| Ambulances | | | | | | | |

* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)

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APPENDICES

APPENDIX K – CAPITAL PROGRAMME BY PROJECT YEAR 1

| Capital Programme by Project: Year 1 | | | | | |
|--------------------------------------|-----------------|-------------------|--------|------------------------|-----------------------|
| Capital Project | Original Budget | Adjustment Budget | Actual | Variance (Act - Adj) % | Variance (Act - OB) % |
| Water | | | | | |
| "Project A" | 82 | 85 | 92 | 8% | 11% |
| "Project B" | 82 | 85 | 92 | 8% | 11% |
| "Project C" | 85 | 90 | 95 | 5% | 11% |
| Sanitation/Sewerage | | | | | |
| "Project A" | 82 | 85 | 92 | 8% | 11% |
| "Project B" | 85 | 90 | 95 | 5% | 11% |
| Electricity | | | | | |
| "Project A" | 82 | 85 | 92 | 8% | 11% |
| "Project B" | 85 | 90 | 95 | 5% | 11% |
| Housing | | | | | |
| "Project A" | 82 | 85 | 92 | 8% | 11% |
| "Project B" | 85 | 90 | 95 | 5% | 11% |
| Refuse removal | | | | | |
| "Project A" | 82 | 85 | 92 | 8% | 11% |
| "Project B" | 85 | 90 | 95 | 5% | 11% |
| Stormwater | | | | | |
| "Project A" | 82 | 85 | 92 | 8% | 11% |
| "Project B" | 85 | 90 | 95 | 5% | 11% |
| Economic development | | | | | |
| "Project A" | 82 | 85 | 92 | 8% | 11% |
| "Project B" | 85 | 90 | 95 | 5% | 11% |
| Sports, Arts & Culture | | | | | |
| "Project A" | 82 | 85 | 92 | 8% | 11% |
| "Project B" | 85 | 90 | 95 | 5% | 11% |
| Environment | | | | | |
| "Project A" | 82 | 85 | 92 | 8% | 11% |
| "Project B" | 85 | 90 | 95 | 5% | 11% |
| Health | | | | | |
| "Project A" | 82 | 85 | 92 | 8% | 11% |
| "Project B" | 85 | 90 | 95 | 5% | 11% |
| Safety and Security | | | | | |
| "Project A" | 82 | 85 | 92 | 8% | 11% |
| "Project B" | 85 | 90 | 95 | 5% | 11% |
| ICT and Other | | | | | |
| "Project A" | 82 | 85 | 92 | 8% | 11% |
| "Project B" | 85 | 90 | 95 | 5% | 11% |
| T N | | | | | |

APPENDICES

APPENDIX L – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 1

| Capital Programme by Project by Ward: Year 1 | | |
|--|------------------|-----------------------------|
| Capital Project | Ward(s) affected | Works completed (Yes/No) |
| Water | | |
| "Project A" | | |
| "Project B" | | |
| | | |
| Sanitation/Sewerage | | |
| | | |
| | | |
| Electricity | | |
| | | |
| | | |
| Housing | | |
| | | |
| | | |
| Refuse removal | | |
| | | |
| | | |
| Stormwater | | |
| | | |
| | | |
| Economic development | | |
| | | |
| | | |
| Sports, Arts & Culture | | |
| | | |
| | | |
| Environment | | |
| | | |
| | | |
| Health | | |
| | | |
| | | |
| Safety and Security | | |
| | | |
| | | |
| ICT and Other | | |
| | | |
| | | |
| | | T O |

APPENDICES

APPENDIX M – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

| Service Backlogs: Schools and Clinics | | | | |
|---|-------|------------|-------------|------------------------|
| Establishments lacking basic services | Water | Sanitation | Electricity | Solid Waste Collection |
| Schools (NAMES, LOCATIONS) | | | | |
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| Clinics (NAMES, LOCATIONS) | | | | |
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| Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned. | | | | T P |

APPENDICES

APPENDIX N – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

| Declaration of Loans and Grants made by the municipality: Year 1 | | | | |
|---|-------------------|--------------------------------|---------------------|---|
| All Organisation or Person in receipt of Loans */Grants* provided by the municipality | Nature of project | Conditions attached to funding | Value Year 1 R' 000 | Total Amount committed over previous and future years |
| | | | | |
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| * Loans/Grants - whether in cash or in kind | | | | T R |

APPENDICES

APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA
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[illegible]

CONCERNING TS

Delete this Appendix if all returns have been made in accordance with reporting requirements.

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APPENDICES

APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT



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APPENDICES

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.

